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TITLE Part 14: Title I--State Handicapped Program. Hearing Before the Subcommittee on Elementary, Secondary, and Vocational Education of the Committee on Education and Labor, House of Representatives, Ninety-Fifth Congress, First Session on H.R. 15 to Extend for 5 Years Certain Elementary, Secondary, and Other Education Programs.

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ABSTRACT

Presented are proceedings from the Congressional hearing on H.R. 15 (a bill to extend certain elementary and secondary education programs for 5 years), with particular emphasis on Title I programs run by state agencies for handicapped, neglected and delinquent, and migrant children. Statements, prepared statements, and letters are given for such individuals as Robert M. Gettings, executive director of the National Association of Coordinators of State Programs for the Mentally Retarded; Dr. Edwin W. Martin, Jr., Deputy Commissioner of the Bureau of Education for the Handicapped; and Morrison Cain from the American Speech and Hearing Association. Appendixes, which make up the bulk of the document, include the following: amendments to Title I, Elementary and Secondary Education Act, on programs for handicapped children; proposed rules, Title I, for state operated programs for handicapped children, from the Federal Register, April 13, 1976; a paper by M. LaVoi titled "Public Law 89-313--Past, Present, Future, A Review of the Law and the Program;" and miscellaneous letters and statements. (SBH)

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ED149529

PART 14: TITLE I—STATE HANDICAPPED PROGRAM

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
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HEARING

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-FIFTH CONGRESS

FIRST SESSION

ON

H.R. 15

TO EXTEND FOR FIVE YEARS CERTAIN ELEMENTARY,
SECONDARY, AND OTHER EDUCATION PROGRAMS

HEARING HELD IN WASHINGTON, D.C.
OCTOBER 4, 1977

Printed for the use of the Committee on Education and Labor

CARL D. PERKINS, *Chairman*



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PART 14: TITLE I—STATE HANDICAPPED PROGRAM

TUESDAY, OCTOBER 4, 1977

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:45 a.m., in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the subcommittee), presiding.

Members present: Representatives Perkins, Blouin, Mottl, LeFante, Kildee, Quie and Pressler.

Staff present: John F. Jennings, Majority Counsel, and Christopher Cross, Minority Senior Education Consultant.

Chairman PERKINS. The Subcommittee on Elementary, Secondary, and Vocational Education is continuing hearings today on H.R. 15, a bill to extend for five years certain elementary and secondary education programs that expire at the end of fiscal year 1978. We have already completed 37 days of hearings on this bill, and it is our intention to hold 16 more days this year.

For the remainder of the year, our focus will be on Title I of the Elementary and Secondary Education Act, the major program of Federal assistance to elementary and secondary schools. In fiscal year 1977, with a total appropriation of approximately \$2 billion, nearly 14,000 local school districts and approximately 5.5 million children participated in Title I programs.

Because Title I is really the cornerstone of Federal aid to elementary and secondary education, I hope that with these hearings we will be able to cover all the important issues and draw out all of the problems that have arisen since the last amendments to Title I were enacted in 1974. A thorough review such as this will insure that next year the subcommittee will come up with the best legislation possible to amend this program.

Today, tomorrow, and next Wednesday, we will be focusing on the Title I programs for handicapped, neglected and delinquent, and migrant children run by the state agencies.

Today we have a distinguished panel here to testify on the Title I State agency program for children in state-supported institutions for the handicapped. For fiscal year 1977, over \$111 million was

appropriated for this purpose, and approximately 208,000 children were served.

I believe that this program has, without a doubt, made available to thousands of handicapped individuals educational opportunities which they would never have had otherwise. Having stated my personal belief, I hope that these witnesses today will tell us whether they agree with that statement and also which ways they would recommend to improve the program.

Mr. Quie.

Mr. QUIE. You and I talked about a study of the past, present and future views of the program under P.L. 89-313. Dr. Marty LaVor worked on that. I ask unanimous consent that it be placed in the record at this time and carry with it the statement that the report doesn't reflect the views of any member of the committee.

Chairman PERKINS. Without objection, it is agreed to.

[See appendix 3.]

Chairman PERKINS. First this morning we have a panel consisting of Dr. Edwin W. Martin, Jr. Deputy Commissioner, Bureau of Education for the Handicapped, U.S. Office of Education; Mr. Gregory J. Ahart, Director, Human Resources Division, General Accounting Office; Dr. John B. Cockshott, Assistant Commissioner for Mental Retardation/Developmental Disabilities, Indiana Department of Mental Health, accompanied by: Mr. Robert M. Gettings, Executive Director, National Association of Coordinators of State Programs for the Mentally Retarded.

Also, we have with us, Mr. Morrison G. Cain, Governmental Affairs Department, American Speech and Hearing Association; and Mr. James Gashel, Chief, Washington Office, National Federation of the Blind.

I know many of you distinguished people, especially Dr. Martin and others here this morning. I know of the great contribution you have made in your areas.

I appreciate the great work you have done, Dr. Martin, for the handicapped. At this time we will hear from you. You may proceed in any manner you prefer.

STATEMENT OF DR. EDWIN W. MARTIN, JR., DEPUTY COMMISSIONER, BUREAU OF EDUCATION FOR THE HANDICAPPED, U.S. OFFICE OF EDUCATION; GREGORY J. AHART, DIRECTOR, HUMAN RESOURCES DIVISION, GENERAL ACCOUNTING OFFICE; DR. JOHN B. COCKSHOT, ASSISTANT COMMISSIONER FOR METAL RETARDATION/DEVELOPMENTAL DISABILITIES, INDIANA DEPARTMENT OF MENTAL HEALTH, ACCOMPANIED BY, ROBERT M. GETTINGS, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF COORDINATORS OF STATE PROGRAMS FOR THE MENTALLY RETARDED; MORRISON G. CAIN, GOVERNMENTAL AFFAIRS DEPARTMENT, AMERICAN SPEECH AND HEARING ASSOCIATION; AND STAN DUBLINSKE, ASSISTANT DIRECTOR, SCHOOL SERVICES PROGRAM

Dr. MARTIN. Thank you very much. I appreciate your kind words. This gives me the chance to say I have had the chance to work with you since 1966, this subcommittee as well as the full committee

under your leadership. All of this legislation, I think without exception, was initiated in the Congress during that time and the responsiveness, all too often I am afraid, has had to come from the Congress and the elected bodies in the States rather than having the leadership push for education which should have been provided by the Education Agencies and Extensive Branches.

However, we are very grateful this act has been passed under your leadership and that the policy is a direct result of initiatives in this area. Over the years we have called this program the "313" program since it had no formal short title and it was originally authorized by Public Law 89-313. We have given it that name ever since.

As you remember, Mr. Chairman, in your floor leadership for ESEA, with all the elements, it didn't specifically speak to the handicapped in that first version. While the interest was raised, I don't think the Congress' intent was made clear at that time that handicapped children would be the recipients of Title I funds. This worked some disadvantage to those children in State-operated programs. The State schools for the deaf and blind, et cetera. Since they were not in local education agencies, per se, they couldn't be counted for purposes of entitlement under Title I. Through this 89-313 amendment, the first real breakthrough occurred.

Until that time, the Federal Government had no real program of support. It had funds for teachers, for support services and there was a small amount for captioned films for the deaf. But the sum total was perhaps \$25 million. This year we are approaching, for the first time, a billion dollar budget as a result of this landmark legislation and the subsequent activities which have come through the committee.

I think what is most important to us about this program has really come out in recent years as there have been stories which focused on the conditions in some State programs. We have all learned the names of a variety of State institutions in virtually every State across the country where children have been receiving what we used to call when I was in school "custodial care," where they were fed, clothed and had no other programs. Until this program came along there were youngsters whose parents couldn't afford to send them to private school or who couldn't go into a private psychiatric hospital. You are dealing with the economically disadvantaged population. They would frequently find themselves in no educational program at all.

Some of the first programs for education and training of children were begun under this Title I legislation and have continued today.

This pattern was somewhat less true, of course, in schools for the deaf and blind, where there had been education programs. But in many instances, those programs were short-staffed, for example, is audiological services which provide the appropriate kinds of hearing aids and speech-reading instruction. That kind of service has been made available by these funds.

In general, this year, for example, over a thousand teachers, special education teachers, are supported under the 313 funds; 970 aides, 130 speech and hearing specialists, physical education specialists, et cetera, down the line through counsellors, social workers,

physical therapists, diagnostic teachers and other specialiss to aid children in State-operated programs.

There is in the printed statement a list of appropriations and the numbers of children served. There are this year more than 200,000 children in almost 7,000 centers across the country participating in a variety of agencies, health, mental retardation and so forth, which I would like to correct, slightly. There are a few typographical errors in the table. I will give the reporter a corrected copy of that table.

Chairman PERKINS. Without objection.

[The table referred to follows:]

PUBLIC LAW 89-313 APPROPRIATIONS
1966 - 1978

TOTAL SCHOOLS/INSTITUTIONS	FISCAL YEAR	NUMBER OF CHILDREN SERVED		SUM TOTAL	APPROPRIATIONS
		RESIDENTIAL	DAY PROGRAMS & LEAs		
406	1966	64,605	835	65,440	\$15,971,101
1,745	1971	103,750	17,813	121,563	46,129,772
2,807	1972	104,056	27,775	131,831	56,380,937
3,576	1973	94,675	63,422	157,997	75,962,098
3,689	1974	91,614	74,801	166,415	85,777,779
3,420	1975	103,405	75,360	178,765	87,864,520
6,259 (+LEAs)	1976	99,987	88,091	188,078	95,868,643
5,999 (+LEAs)	1977	88,189	108,239	196,428	111,433,451
6,918 (LEAs)	1978	89,251	134,581	223,832	121,590,937

SOURCES: Department of Health, Education, and Welfare
Office of Education
Elementary and Secondary Education Act of 1965, P.L. 89-10 As Amended
Title I. Assistance for Educationally Deprived Children
Allotments for Fiscal Years 1966 - 1978

Dr. MARTIN. One of the things which has been important in the program is that while it has grown, it has also changed in character as well. In the first year, 98 percent of the children were in big State programs; now, less than half are in those programs. Most children, in fact, are in community settings which are still operated by the State agencies. The philosophy of deinstitutionalization has been working. This cooperative process seems to be working very well as the States attempt to deinstitutionalize these children and place them in areas nearer their homes.

For the most part, program responsibility was transferred to the Bureau of Education for the Handicapped in 1968, although the

Bureau of Elementary and Secondary Education administering the major part of Title I continued to have some technical and administrative responsibilities, such as those dealing with preparing the allocation of dollars for the States and related fiscal matters. The basic regulations for Title I were also generated by that unit, and those regulations provided the board framework for administration of the 313 program. The Bureau, however, supplemented these regulations with guidelines and similar administrative memoranda which were necessary because of the specialized nature of the program. Recently, we up-dated the agreement between the Title I administrators and ourselves and agreed to additional responsibilities being delegated to BEH.

I will submit a set of guidelines for the record which have been issued over the years to supplement the Title I regulations.

[The information referred to follows:]



DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D. C. 20540

August 18, 1973

Our Reference: ASB Information Bulletin #124

INFORMAL LETTER TO TITLE I, ESEA AND P.L. 89-313 COORDINATORS

Subject: Approved Average Daily Attendance, FY 1974

1. We are pleased to send you herewith a copy of your State's portion of "State Agencies and Schools Eligible to Participate Under P.L. 89-313, Amendment to Title I, ESEA, Fiscal Year 1974."

2. You will note that this list does not contain allocations, as these will not be determined until after the FY 1974 Appropriations Act is passed.

3. Also enclosed is a copy of "Public Law 89-313 Allocations to State Agencies" for First Quarter FY 1974. These allocations are made under the continuing resolution. Please note that unless extended by Congress, the Tydings Amendment does not apply to Fiscal Year 1974 funds. Thus, contrary to our ASB Bulletin #122, First Quarter FY 74 funds under PL 89-313 remain available for obligation only through June 30, 1974.


John W. Jones
Chief, Aid to States Branch
Division of Educational Services
Bureau of Education for the Handicapped

Copy to:
Chief State School Officers
State Directors of Special Education
Regional Directors

Inclosures (2)



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D. C. 20540

November 21, 1974

Our Reference: ASB Information Bulletin # 134

INFORMAL LETTER TO STATE DIRECTORS OF SPECIAL EDUCATION, AND
PART B, EHA, AND PL 89-313 COORDINATORS

Subject: IDEW/USOE General Provisions for Programs, Administrative
and Fiscal Requirements

1. Pursuant to Section 503 of the Education Amendments of 1972, all regulations, rules, guidelines, manuals and other policy documents governing Federally funded education programs are being revised and codified. With reference to the administration of Part B, Education of the Handicapped Act, and PL 89-313, Amendment to Title I, Elementary and Secondary Education Act, the following regulations will obtain, as they are published in the Federal Register.

- | | | |
|---|---|--------------|
| a) General Provisions (provided herewith) | | |
| b) Title I - General |) | |
| c) PL 89-313 |) | (in |
| d) Part B, EHA |) | preparation) |

In addition, guidelines of a non-regulatory nature will be issued for Title I, PL 89-313 and Part B, EHA.

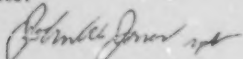
2. The parts of the General Provisions, contained in the enclosed copy of the Federal Register, Vol. 38, No. 213, Part III, November 6, 1973, which relate to these two Federal programs are:

- a. Part 100 - General (beginning with page 30661)
- b. Part 100b- State Administered Programs (beginning with page 30679)
- c. Appendix B- (beginning with page 30694)

3. We suggest that you review these regulations carefully, as well as the introduction and commentary. Keep the document as a ready reference. When the above-mentioned program regulations are published, this office will make available an index to encompass all related policy documents to serve as a Part B and PL 89-313 administrative guide.

4. We wish to call your attention to the fact that although the carryover of funds is included in Subpart D, Sec. 100b.55 of this regulation, this provision does not apply at the present time, since the continuing resolution under which both Part B, BWA and PL 89-313 are presently authorized to operate does not include the carryover authority. Therefore, program coordinators should plan for the obligation by June 30, 1973 of fiscal year 1974 funds.

5. Limited additional copies of this regulation may be obtained by writing to Chairman, Rules & Regulations Task Force, US Office of Education, 400 Maryland Avenue, S.W., Room 2079G, Washington, D.C. 20202.



Mr. John W. Jones, Chief
Aid to States Branch
Bureau of Education for
the Handicapped



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D. C. 20540

May 7, 1974

Our Reference: ASB Information Bulletin #143

INFORMAL LETTER TO STATE DIRECTORS OF SPECIAL EDUCATION, AND PART B,
EHA, AND PL 89-313 COORDINATORS

Subject: Extension of Carry-Over Provisions for EHA-B and 89-313

- 1) We are pleased to inform you that Congress has passed and the President has signed Public Law 93-269, which extends the carry-over provisions in several US Office of Education programs including EHA-B and PL 89-313 through June 30, 1975.
- 2) We have been advised that the Act provides that impounded FY 1975 funds which were made available during FY 1974 and those appropriated and allocated for 1974 may be carried over and expended through June 30, 1975. A copy of page 5 of the House Conference Report, #93-965, is enclosed for your reference. Court action is still pending on impounded FY'73 EHA-B funds.
- 3) While this Act does not provide carry over for fiscal years after 1974, you are probably aware that all of the new education legislation currently before the Congress, contains similar provisions for FY 1975 and subsequent years. In addition, the Office is working for the inclusion of forward financing in the new legislation.
- 4) We understand the difficulties encountered by State program officers in planning without assurance of continued funding throughout school year and summer terms and are doing all we can to ameliorate this problem. We appreciate your patience and cooperation.

John W. Jones
John W. Jones
Chief, Aid to States Branch
Division of Educational Services
Bureau of Education for the Handicapped

cc: Chief State School Officers

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the text of the bill (H.R. 12253) to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amended H.R. 12253 by striking all after the enacting clause and inserting in lieu thereof a new text, and by amending the title. The House amended the new text substituted by the Senate amendment by inserting a new substitute text. The differences between the Senate and House amendments and the substitute agreed to by the committee of conference are noted below, except for minor clerical corrections, conforming changes made necessary by agreements reached by the conferees and minor drafting and clarifying changes.

Carryover of funds appropriated for applicable programs

The House amendment to the amendment of the Senate amends section 414(b) of the General Education Provisions Act to allow for the obligation and expenditure through June 30, 1975, of impounded fiscal year 1973 funds for certain education programs which were made available in fiscal year 1974, and of all fiscal year 1974 appropriated funds for education programs administered by the Office of Education.

The Senate amendment contains a similar provision which accomplishes the same result without amending the General Education Provisions Act. The House recedes.

The Senate amendment also contains a provision that the authority provided in the Senate amendments for an additional period of time in which to expend funds for certain education programs for fiscal year 1973 which were impounded is not to be construed to approve of the delay in expenditure or of the withholding of such funds. The House amendment to the Senate amendments to the bill contain no comparable provision. The House recedes.

Guaranteed Loan Interest Benefit Eligibility

The Senate amendment amends section 428(a) of the Higher Education Act, as amended, to remove the requirement that the amount of insured student loan needed be determined as a condition of eligibility for interest payments for borrowers whose adjusted family incomes are below \$15,000. The House amendment removed this requirement for borrowers whose adjusted family incomes are below \$15,000 and who are borrowing no more than \$1,500 in a given academic year. The House recedes and concurs in the Senate amendment with a further



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

WASHINGTON, D.C. 20202

September 30, 1974

Our Reference: ASE Information Bulletin #151

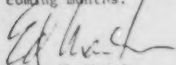
INFORMAL LETTER TO CHIEF STATE SCHOOL OFFICERS

Subject: SEA and Other State Agencies Comments and Suggestions for New Regulations and Guidelines under P.L. 93-380 Amendments to Title I, ESEA Section 121 - State Operated Programs for Handicapped Children (P.L. 89-313)

1. The Education Act of 1974 (P.L. 93-380) extends the present law's provisions regarding State Agencies programs for handicapped children in institutions. Enclosed is a copy of the Sections of the Amendment that make provisions for the State Agency programs.
2. Please note the following provisions:
 - a) the rate of payment (Section 121(d))
 - b) assurances by the State Agency that each child counted will be provided a program to meet his special educational need (Sec.121(b))
 - c) counting of children transferring from a State Agency program to a local educational agency
 - 1) assurances that child in average daily attendance is provided a program to meet his special educational needs (Sec.121(b)(1))
 - 2) funds transfers to local education agency for children counted in Average daily attendance (Sec. 121(b)(2))
 - d) "Minimum Payments for State Operated Programs (Sec. 125)
3. Before we begin to develop guidelines and regulations for these new provisions, we are very much interested in receiving comments and suggestions from each State, in order to assist us with this task. We also would appreciate it if you would seek comments from your participating agencies and in local school systems in the State.
4. In preparing your comments and suggestions, please cite the sections addressed (e.g. Sec. 121(c) Assurances of State Agency) and make them as specific as possible.
5. In order to move forward as rapidly as possible in the development of the new regulations, we are asking that comments from all States desiring to respond be submitted on or before October 15, 1974 to Mr. Joyce R. Brown, 400 Maryland Avenue, SW, Room #3 Room 2015, Add to States Branch, Bureau of Education for the Handicapped, Washington, D. C. 20202.

6. Once we have received each State's comments, we plan to work with a representative group from the field in the preparation of the basic concepts for the new guidelines. Comments and suggestions are being solicited from other National Agencies. As soon as we have completed the first draft of the regulations, we plan to hold a national conference to discuss the new provisions for administering & monitoring the program. We will keep you informed of our progress in the implementation of the State Operated Programs for Handicapped, Title I, ESEA.

7. Thank you for your interest & assistance in the development of the new regulations & guidelines. We look forward to working with you, members of your staff and the other State Agencies in this endeavor during the coming months.



Edwin W. Fartin
Acting Deputy Commissioner for
Education of the Handicapped

cc: OE Regional Commissioners
State Directors of Special Education
P.L. 89-313 Coordinators
Part B, EHA Coordinators
Vocational Education Coordinators
Title III, ESEA Coordinators
Title I, Coordinators



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

WASHINGTON, D.C. 20540

February 4, 1975

Our Reference: ASB Information Bulletin #160

INFORMAL LETTER TO P.L. 89-313 COORDINATORS AND STATE DIRECTORS OF SPECIAL EDUCATION

Subject: Mandatory Supplementary ADA count for School Year, 1972-73 for Fiscal Year 1975 of Handicapped Children in Programs Operated or Supported by Local Educational Agencies who Were Formerly Enrolled in State Operated or Supported Programs

1) This Bulletin supersedes ASB Information Bulletin #146 dated June 5, 1974. Briefly, that Bulletin gave State Agencies an option whether to participate or not to participate in the counting of ADA of handicapped children who were enrolled in their schools during the 1971-72 school year and who had left the programs of the State Agency to participate in appropriately designed educational programs in local public schools during the 1972-73 school year. Recounting data at that time was predicated on the possibility of the enactment of the provisions of H.R. Bill 69 which would allow LEAs to participate.

2) As you are now quite aware, The Education Act of 1974 (P.L. 93-380) was enacted on August 21, 1974 and contained the proposed provisions of H.R. Bill 69. The provisions that affect LEA programs are contained in Subsection (d) of Section 121 which states:

"(d) In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State Agency under this section which are attributable to such child, to be used for the purposes set forth in subsection (c).

A copy of all Sections of the Amendment that make provisions for the State Agency programs for the handicapped is enclosed.

3) After much deliberation with our Office of General Counsel and other government and Congressional officials, we were advised that Subsection (d) was not to have been interpreted as an optional provision, and therefore all participating State Agencies are required pursuant to Subsection (d) of Section 121 to count children who transferred to LEAs. That provision is to be implemented during FY 75 and the subsequent years in order to be in compliance with all of the provisions of Section 121. We were further counseled that Section 125 "Minimum Payments for State Operated Programs" is to be applied to the entire State Agency entitlement as computed under Section 121 (which

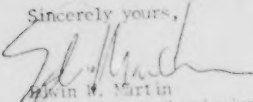
includes entitlement for children who have transferred to IIEAs), rather than applying it only to State supported or operated programs. Section 125 states in pertinent part:

"MINIMUM PAYMENTS FOR STATE OPERATED PROGRAMS"

"Sec. 125 Except as provided in section 843 of the Education Amendments of 1974, no State agency shall receive in any fiscal year prior to July 1, 1978, pursuant to sections 121, 122, or 123 an amount which is less than 100 per centum of the amount which that State agency received in the prior fiscal year pursuant to such sections 121, 122, or 123, respectively." [emphasis supplied]

- 4) Even though it is very late in Fiscal Year 1975 those states that did not report ADA counts for handicapped children enrolled in IIEAs during 1972-73 school year will have to do so no later than March 10, 1975. Final entitlement for each State Agency will be adjusted in the fourth quarter to account for former students who moved to IIEA programs during the 1972-73 school year. Complete procedures for making the Supplementary ADA count for FY 75 are being prepared and will be sent to you as soon as possible.
- 5) P.L. 89-313 Coordinators should be very cautious in allocating FY 75 funds to each State Agency until each final entitlement has been determined. With the new provisions, programs are to be designed to benefit those children who generated the ADA count whether they are located in State or local operated or supported programs.
- 6) Please accept our apology for having to request another ADA count at this time of the year when the Survey of ADA for Fiscal Year 1976 participation normally is due. We will announce a date and distribute procedures for FY 1976 soon. If you have any questions please call Miss Joyce R. Broome in our Aid to States Branch. (Telephone (202) 245-9405)

Sincerely yours,


Edwin W. Martin
Acting Deputy Commissioner
for Education of the Handicapped

cc: Chief State School Officers
Regional Commissioners
Title I, Coordinators

Enclosure



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

February 6, 1975

Our Reference: ASB Information Bulletin #161

INFORMAL LETTER TO P.L. 89-313 COORDINATORS AND STATE DIRECTORS OF
SPECIAL EDUCATION WHO DID SUBMIT SUPPLEMENTAL ABA COUNTS FOR FY 1975

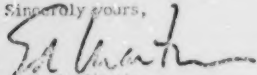
Subject: Verification and Certification of Supplementary ABA Counts
for Handicapped Children Enrolled in Programs Operated or
Supported by Local Educational Agencies During 1972-73 School
Year for Fiscal Year 1975

- 1) ASB Information Bulletin #160 dated February 4, 1975, explained the purpose of having to solicit the SEAs again for reporting the ABA count of handicapped children who left educational programs operated or supported by State Agencies in order to participate in programs operated or supported by local educational agencies.
- 2) After our office was advised that ABA counts of IJAs transfers had to be shown under each sending State Agency, we completed a Section IV, OE Form 2274 for each participating State Agency using the estimates and information submitted by the SEAs.
- 3) Enclosed are copies of the OE Form 2274 with pages of Section IV completed. Please follow these steps to verify and certify the accuracy and completeness of the ABA as the most reliable information or estimates available at this time:
 - a) Check the completed pages of Section IV to verify the sending State Agency and the estimated ABA counts under the appropriate handicapping conditions. Make any necessary corrections on the enclosed pages of Section IV.
 - b) Each agency should complete Sections I and II of Sheet 1, OE Form 2274. Please note that Question 1 under Section II, "Legal Basis for Agency's Claim to Allocation" is not applicable to the IJAs transfers; however, Questions 2-5 must be answered. In accordance with P.L. 89-313 as amended under P.L. 93-380, Title I, ESEA, completion of both Section I and II, with the appropriate signatures, certify to the accuracy and completeness of the data and information contained in OE Form 2274.
 - c) Submit the original and one copy of OE Form 2274 (Sections I & II) and the pages of Section IV corrected (if necessary) to the Bureau of Education for the Handicapped, U.S. Office of Education, 400 Maryland Avenue, Washington, D.C. 20202 no later than March 10, 1975.
- 4) Please accept our apology for having to request you to revalidate your

data and - Submit - For School Year 1972-73 for Fiscal Year 1975 funding, during this busy time of the year. However, it was necessary for us to do so in order to implement all of the provisions of Section 121 P.L. 93-380 which is in effect this Fiscal Year. If you have further questions, please call your State Plan Officer or Miss Joyce R. Broome in our Aid to States Branch. (Telephone (202) 245-9405 or 245-9615)

5) Enclosed for your information file is a copy of ASB Information Bulletin #162 that was sent to the twenty-two(22) states who did not submit Supplemental ADA Counts for FY 1975 last Fall when first contacted about this matter.

Sincerely yours,



Edwin W. Martin
Acting Deputy Commissioner for
Education of the Handicapped

Enclosures



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20540

February 6, 1975

Our Reference: ASP Information Bulletin #162

INCORPORATE LETTER TO P.L. 89-313 COORDINATORS AND STATE DIRECTORS OF SPECIAL EDUCATION WHO DID NOT SUBMIT SUPPLEMENTAL ADA COUNTS FOR FY 1975

Subject: Supplementary ADA count for School Year 1972-73 for Fiscal Year 1975 of Handicapped Children in Programs Operated or Supported by Local Educational Agencies who were formerly Enrolled in State Operated or Supported Programs, as required by Subsection (d) of Section 121, P.L. 93-380 Title I, ESEA, (Education Amendment of 1974)

- 1) ASP Information Bulletin #160 dated February 4, 1975, explained the purpose of having to solicit the SEA again for reporting the ADA counts of handicapped children who left educational programs operated or supported by State Agencies in order to participate in programs operated or supported by Local Education Agencies.
- 2) In making the Supplementary ADA Count State Agencies participating under P.L. 89-313, as amended by P.L. 93-380, are required to count any children who were enrolled in their schools during the 1971-72 school year and who subsequently were transferred to appropriately designed programs operated or supported by Local Educational Agencies during the 1972-73 school year for Fiscal Year 1975 allocations.
- 3) Enclosed are copies of the OE Form 2274 for use in submitting any available supplementary ADA data for School Year 1972-73 by each participating State Agency.
 - A. The State Education Agency should follow these procedures for making the supplementary ADA Count:
 - (i) Determine from the original State Agencies (i.e., the agencies from which the pupils were transferred (1) the number of children by type of handicapping conditions (2) the school district (LEA) in which they were subsequently enrolled.
 - (ii) Determine from each participating LEA (providing an appropriately designed program) the ADA or ADA of the children involved, using either models A or B (pg.2) under DEFINITIONS of the instructions for OE Form 2274. (Please use the most reliable information or estimates available at this time.)
 - B. The SEA and the State Agency in which the children were formerly

enrolled should follow these procedures:

- (i) Use Section IV of OE Form 2274 to list the school district (LEA) and the ADA count by type of handicapping conditions. Always relate data to the particular State Agency from which the children were formerly enrolled. (Do not submit names of children to our office.) Attached is a sample copy of how Section IV is to be completed. Please note that the title "LEA Program" is used in the SUB-AGENCY Space. Indicate that the ADA Count is for School Year 1972 to 1973.
- (ii) Complete Sections I and II of Sheet 1, OE Form 2274. Question 1 under Section I, "Legal Basis for Agency's Claim to Allocation" is not applicable to the LEA transfers. Question 2-5 must be answered. Completion of both Section I and II with the authorized signatures of the P.L. 89-313 Coordinator and the State Agency Official certify to the accuracy and completeness of the data and information in OE Form 2274 (Sections I, II and IV.)

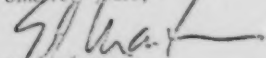
State Agencies from which no children transferred or which because of compelling circumstances cannot comply with Subsection (d) of Section 121 must also certify to their non-participation. Please complete Section I- Certification and attach a statement of rationale for non-participation in Fiscal Year 1975.

4) The P.L. 89-313 Coordinator will submit the original and one copy of OE Form 2274 submitted by all the participating P.L. 89-313 State Agencies within their States to the Bureau of Education for the Handicapped, U.S. Office of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202 no later than March 10, 1975.

5) Please accept our apology for having to request you to participate as required by Subsection (d) of Section 121 at such a late date in the fiscal year. If you have further questions, please call your State Plan Officer or Miss Joyce R. Broome in our Aid to States Branch. (Telephone (202) 245-9405 or 245-9815.)

6) Enclosed for your informational file is a copy of ASB Information Bulletin #161 that was sent to the twenty eight (28) states who did submit supplemental ADA counts for FY 1975 last Fall when first contacted about this matter.

Sincerely yours,



Ed L. Martin
Acting Deputy Commissioner for
Education of the Handicapped

Enclosures



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20540

Our Reference: BEH/DAS/ASB Information Bulletin #163

INFORMAL LETTER TO P.L. 89-313 COORDINATORS AND STATE DIRECTORS OF
SPECIAL EDUCATION

Subject: Average Daily Attendance Survey (OE Form 2274) under P.L. 89-313,
as amended by P.L. 93-380, Title I, ESEA (Section 121, State
Operated Program for Handicapped Children) for FISCAL YEAR 1976

1) Each year the survey of average daily attendance of eligible handicapped children in State-operated or supported schools is to be made by State Agencies participating or planning to participate under the provisions of the P.L. 89-313, as amended by P.L. 93-380, Title I of the Elementary and Secondary Education Act.

As a result of the new provisions all participating State Agencies are required pursuant to Subsection(d) of Section 121 to count children formerly counted in ADA in their schools during school year 1971-72 or subsequent years and who are now participating in appropriately designed special education programs operated or supported by Local Educational Agencies.

The ADA data submitted will be used by the Office of Education to determine allocations under this program for the upcoming FISCAL YEAR 1976.

2) The enclosed OE Form 2274 is to be used by your State Agencies for reporting purposes. In order to obtain the most recent and satisfactory data, please advise the State Agencies to have all their participating schools use only the following formula for estimating the average daily attendance:

"Take the total number of students on the rolls in a program of organized education for handicapped children as of OCTOBER 1, 1974 and FEBRUARY 1, 1975 or closest available dates. Add the number of children for the two dates and divide the sum by 2 to determine the average membership; 94% of the average membership equals the estimated daily attendance. Average Daily Attendance information should be indicated according to major type of handicap."

This formula is described in Item B (p.2) of the "Instruction for the Preparation of OE Form 2274" under DEFINITIONS. PLEASE NOTE THAT DATES TO BE USED ARE OCTOBER 1, 1974 and FEBRUARY 1, 1975 or the closest available dates.

3) OE Form 2274 with instructions is comprised of four sections that must be fully completed. The following information is provided to further clarify each section of the form.

SECTION I - CERTIFICATION

Coordinators of Title I or P.L. 89-313 and the State Agency Authorized Official are responsible for the accuracy and completeness of the ADA data and other pertinent information submitted. They certify to this when they both sign OE Form 2274.

SECTION II - LEGAL BASIS FOR AGENCY'S CLAIM TO ALLOCATION

Please include within your FY 76 ADA report the pertinent statutes and regulations describing the legal basis for each participating Agency's claim for allocation under this program. Because of the new provisions in P.L. 89-313 and the recent changes in State laws in regards to the education of handicapped children, we are requesting an update of eligibility of participating State Agencies, Sub-agencies, Itinerant Services, Community Centers, Day Care Centers, County, and Regional Centers.

SECTION III - ELIGIBLE SCHOOLS REPORTED FOR FISCAL 1975

This section of the form is computerized and contains the names and locations of eligible schools reported for Fiscal Year 1975. Following the accompanying instructions, each State Agency need only update the list, filling in the estimated daily attendance (Item B p.2) in the spaces indicated. Type in the school's ADA count on the line opposite the school, by type of handicapping condition. Carry each figure, including whole numbers, to two decimal places. [DO NOT ROUND-OFF THE FIGURES.]

SECTION IV - ELIGIBLE SCHOOLS - ADDITIONS AND CORRECTIONS

Use this section for listing new applicant State Agencies, sub-agencies, and schools and to indicate changes in names or locations of schools or agencies appearing in the computerized listing.

Use this section also to list the school districts (LEAs) and locations indicating where the children-formerly in the State Agency school- are enrolled. Include in the space provided, the name of the STATE AGENCY from which the children transferred. Place the title "LEA PROGRAMS" in the SUB-AGENCY space. Indicate the AVERAGE DAILY ATTENDANCE OF HANDICAPPED CHILDREN is for 1974-75 school year.

The P.L. 89-313 Coordinator should follow these procedures for making the ADA count for LEA PROGRAMS:

- a) Determine from the original State Agencies (i.e., the agencies from which eligible children were transferred):
 - (1) the number of children by type of handicapped conditions
 - (2) the school district (LEA) in which they were

subsequently enrolled.

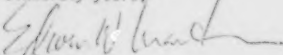
b) Determine from each participating LEA providing an appropriate educational and special education program the ABA of the eligible children (using model B (p.2) under DEFINITIONS of the instructions for OE Form 2274 as mentioned in Item 2 of this Bulletin.)

4) State Agencies from which no eligible children have been transferred must certify to this fact by attaching an explanatory statement to their OE 2274 report. Transferred children must be reported.

5) The original and one copy of the completed OE Form 2274 (Section I, II, III & IV) must be returned no later than April 1, 1975 to the Aid to States Branch, BEH, 400 Maryland Avenue S.W., Washington, D.C. 20001. If you have questions pertaining to the reporting process, or regarding eligibility of certain schools or agencies, please contact your State Plan Officer or Miss Joyce R. Broome. (Telephone (202) 245-9105 or 245-0315)

NOTE: Please ensure that photocopies of Section III submitted retain intact all numbers printed along the edges of the pages.

Sincerely yours,



Edwin W. Martin
Acting Deputy Commissioner
for Education of the Handicapped

Copy to:
Chief State School Officers
Title I Coordinators
OE Regional Commissioners of Education

Inclosures:
Section III - Computer print-out for Each Agency
Additional Copies of OE Form 2274



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20540

REF 08 8/5

Our Reference: RHE/HVS/ASB Information Bulletin #169

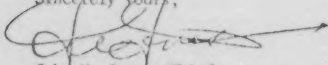
INFORMAL LETTER TO P.L. 89-313 COORDINATORS AND PARTICIPATING STATE AGENCY OFFICIALS

Subject: Fiscal Year 1976 State Plan Amendment Under Part B, Education of the Handicapped Act, as Amended by P.L. 93-380 (Education Amendment of 1974)

1. Enclosed for your information is a copy of the "Suggested Procedures and Forms for Development of the FY'76 State Plan Amendment Under Part B, Education of the Handicapped Act, as Amended by P.L. 93-380.
2. The enclosure consists of suggested materials which have been developed by the Guidelines-Regulations Input Team (GRIT) for the implementation of the requirements in Part B, IDEA. The draft materials were reviewed and discussed at a meeting of State Directors of Special Education and Part B, IDEA Coordinators held by the Bureau of Education for the Handicapped, in Washington, D.C., March 25-27, 1975.
3. The new State plan provisions for Fiscal Year 1976 must "(A) establish a goal of providing full educational opportunities to all handicapped children (Section 613(A), and "(B) all children residing in the State [no matter where they are being served within the State] who are handicapped regardless of the severity of their handicap and who are in need of special education and related services are identified, located and evaluated, including a practical method of determining which children are currently receiving needed special education and related services", Section 613(b)(A). The main points of the requirements are summarized on pages 30-31.
4. The State Education Agency has been designated as the State agency which shall act as the sole agency for the administration of the State Plan amendment under Part B, IDEA. However, you will be sent an informational copy of the procedures and forms to be used in the development of the plan at the time the materials are sent to the State Director of Special Education. Also included will be the requirements and/or alternatives for submitting the Annual Program Plan formerly known as the Projected Activities Document. Tentatively the projected date for submitting the State plan and the Annual Program Plan is August 21, 1975.

5. The State Director of Special Education will be contacting you soon for your input in the plans, however, if our office can be of further service, please let me know. The telephone number is (202) 245-9405

Sincerely yours,



John W. Jones, Chief
Aid to States Branch
Bureau of Education for the Handicapped

Copy of ASB Bulletin #169 to: Chief State School Officers
Title I Administrators
Regional OE Commissioners
State Directors of Special Education

Enclosures



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20220

June 25, 1975

Our Reference: ASB Information Bulletin #175

INFORMAL LETTER TO P.L. 89-313 COORDINATORS AND PARTICIPATING STATE AGENCY OFFICIALS

Subject: Clarification of Issues Pertinent to the Implementation of Public Law 89-313 (Section 121 of Title I, ESEA), as Amended by Public Law 93-380 (Education Amendments of 1974)

The purpose of this bulletin is to clarify some of the possible interpretations of the Public Law 89-313 amendments to Title I, ESEA (Section 121 of Title I, ESEA) as amended by Public Law 93-380. It reflects many of the suggestions provided by the conferees at the P.L. 89-313 National Conference May 12-13, 1975 in Washington, D.C.

1) Summary of P.L. 93-380 Changes

The Education Amendments of 1974 changed provisions for the State Operated Programs for Handicapped Children in the following areas:

a) the rate of payment: the minimum payment is 40% of 80% of the average per pupil expenditure in the United States (in the case of a State whose average per pupil expenditure is less than 80% of the National average) and the maximum is 40% of 120% of the average per pupil expenditure in the United States (for States whose average per pupil expenditure is more than 120% of the national average). Under prior law the rate of payment was simply based on 50% of the State or national average per pupil expenditure, whichever was higher.

b) assurances by the State agency that each child counted in ADA will be provided a program, commensurate with his special needs, during the fiscal year the federal funds are made available;

c) counting of handicapped children in average daily attendance (who have left an educational program for handicapped children operated or supported by the State agency) who are participating in a program operated or supported by a local educational agency if:

i) each child counted continues to receive an appropriately designed special education program, and

ii) the funds attributable to such children are transferred by the State agency to the local educational agency;

d) no State agency shall receive in any fiscal year prior to July 1, 1978, an amount which is less than the amount received in the prior fiscal year.

2) Average Daily Attendance

a) All handicapped children for whose free public education a participating State agency is directly responsible and who are enrolled at schools for handicapped children operated or supported by a State agency (including schools providing special education for handicapped children under contract or other arrangement with the State agency) may be counted in Average Daily Attendance. Such children, however, must be provided with an appropriate educational program, commensurate with their special needs, supported at least in part with P.L. 89-313 funds; during the Fiscal Year for which P.L. 89-313 funds are made available.

b) Starting Fiscal Year 1977 it is proposed that:

i) State agencies shall count their eligible handicapped children from membership rolls as of September 15, and report the data to the Bureau of Education for the Handicapped no later than October 1.

ii) Local educational agencies shall count the eligible handicapped children (i.e. those who were formerly counted in average daily attendance in a State operated or supported program) from membership rolls as of October 1, and report to the Bureau of Education for the Handicapped no later than October 15.

c) 94% of the total enrollment of eligible handicapped children reported under (b)(i) and (ii) above shall be deemed to be the average daily attendance for that state.

d) If the above deadline dates are formally adopted by regulations published in the Federal Register they must be adhered to in order for participating State agencies to be notified of their P.L. 89-313 allocations in sufficient time to facilitate effective planning in advance of the school year when such funds are available.

3) Distribution of Funds

a) The amount of funds allocated to each participating State agency, including the local educational agencies, shall be determined by the Commissioner, and distributed to the respective agencies by the State educational agency. The funds may be committed to meeting the special needs of all handicapped children reported in AEA as well as those eligible handicapped children whose free public education the State agency is directly responsible. The special needs of the children to be served should determine the percentage of the funds to be used. However, it is our interpretation of the statute that each child counted in AEA must receive some P.L. 89-313 benefits. (20 U.S.C. 241e-1(c), H. Rep. 93-805, P. 24 (1974)). All handicapped children counted in AEA under P.L. 89-313 or participating in projects funded under this program must receive a program of instruction commensurate with their special needs during the fiscal year for which the federal funds are made available.

b) It is clearly the intent of Congress that all handicapped children receive appropriate instruction and services wherever they may be enrolled--

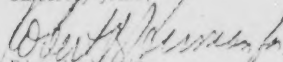
in State, local, or private facilities. P.L. 89-313 and Part B of the Education of the Handicapped Act are designed so that every handicapped child within a State should be eligible to receive benefits from either P.L. 89-313 or Part B-EHA - but not from both. Funds provided under Part B shall not be made available for handicapped children who are eligible for assistance under P.L. 89-313. Handicapped children for whom a State agency is directly responsible for providing their free public education and eligible children formerly counted in AHA and then enrolled in an appropriate program operated by a local educational agency are not eligible for assistance under Part B of the Education of the Handicapped Act.

4) As you are aware, we are still in the process of preparing regulations which will govern the grants to the State agencies and hopefully they will be published in the Federal Register in the near future for your comments and suggestions.

5) Again, I wish to express my appreciation for your continued cooperation and for the added efforts expended in order to be in compliance with the new provisions under P.L. 89-313 as amended by P.L. 93-380.

6) Further information about the program may be obtained from Miss Joyce R. Broome or your State Plan Officer in our Aid to States Branch. (Telephone: (202) 245-9405 or 245-9815)

Sincerely yours,


Edwin W. Martin
Acting Deputy Commissioner for
Education of the Handicapped

Copies to: Title I Coordinators
Part B Coordinators
OE Regional Commissioners
State Directors of Special Education



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20002

June 16, 1975

Our Reference: ASB Information Bulletin #176

INFORMAL LETTER TO THE CHIEF STATE SCHOOL OFFICERS

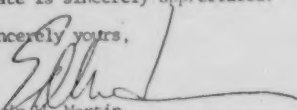
Subject: P.L. 89-313, Amendments to Title I, ESEA, as Amended by
P.L. 93-380 Requirements for Submitting an Annual Program
Plan

- 1) In accordance with Section 434(b)(1)(A) of the General Education Provisions Act, to receive a grant under P.L. 89-313, each participating State agency shall submit through the State educational agency an annual program plan (formerly known as the Projected Activities Document) for approval by the Commissioner.
- 2) The participating State agency's annual program plan should be coordinated with the State's comprehensive plan for educating all handicapped children. As you know, your agency has the responsibility for submitting the State's annual program plan for handicapped children as required by the provisions under Part B of the Education of the Handicapped Act. Instructions for preparing that annual program plan have been communicated with your State Director of Special Education and the Part B Coordinator. Copies of the instructions are also being forwarded to the P.L. 89-313 Coordinator to be distributed to the participating State agencies. The ESEA Title I Program Directive entitled Annual Program Plan for Title I, ESEA made reference to the instructions that would be provided by our office for the preparation of the annual program to be submitted to the Commissioner.
- 3) In order to expedite the issuance of grants for this fiscal year (1976), P.L. 89-313 will operate under the same requirements as described in ASB Information Bulletin #172 - Annual Program Plans and SEA Obligations of Funds Under Part B, EHA. Therefore, when you submit the letter as described in Item 4 of the bulletin, it will be indicating the inclusion of all State agencies responsible for educating handicapped children, and especially the participating State agencies in PL 89-313. Upon approval of your request letter, we will be able to release half of the grant to your State for each participating State agency. The other half of the grant will be released for the State agencies after your FY 1976 State Plan Amendment has been received in and approved by the Office of Education.

4) If you have any questions concerning the annual program plan for P.L. 89-313, please contact John W. Jones, Chief, Aid to States Branch, USOE/BEH; (202) 245-9405.

Your continued cooperation in the development of a comprehensive program plan for educating all handicapped children within your State is sincerely appreciated.

Sincerely yours,



Edwin W. Martin
Acting Deputy Commissioner for
Education of the Handicapped

Copies To: P.L. 89-313 Coordinators
Title I Coordinators
State Directors of Special Education
Regional Commissioner of Education

Enclosure:



DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20001

April 22, 1976

Our Reference: ASB Information Bulletin #203

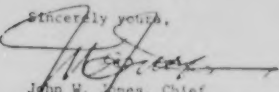
INFORMAL LETTER TO PUBLIC LAW 89-313 COORDINATORS AND PARTICIPATING
STATE AGENCY OFFICIALS

Subject: Notice of Proposed Rulemaking - State Operated Programs for
Handicapped Children.

1. Enclosed for your careful study is a copy of the Federal Register published Tuesday, April 13, 1976, which contains the proposed regulations for P.L. 89-313, Amendment to Title I, ESEA, as amended by P.L. 93-380 (Education Amendments of 1974). The extra copies are to be distributed to other interested persons on your staff.
2. We are urging you to submit the written comments, recommendations and even commendations on the sections of the regulations as instructed in item 8. *Opportunity for public hearing*, on the inside cover of the document.
3. In addition to the public hearing, our staff in the Aid to States Branch is planning to conduct a series of one-day regional meetings beginning the second week of June. The purpose of the meeting will be to discuss with you the implications of the proposed regulations on the implementation of the P.L. 89-313 program. The discussion will also include the relevant comments and recommendations received prior and during the public hearing. As soon as the plans for the meeting are finalized, we will send you more specific information regarding the time, dates, locations, participants and possible lodging facilities if any are needed.

Thank you for your continuous cooperation during the development of these proposed regulations, hopefully the final regulations will be published within a much shorter time frame. For further information contact your State Plan Officer or Miss Joyce R. Broome, Policy Officer. We look forward to hearing from you and to seeing some of you at the public hearing on May 12, 1976.

Sincerely yours,


John W. Jones, Chief
Aid to States Branch
Division of Assistance to State
Bureau of Education for the Handicapped

cc: Chief State School Officer
Title I Administrator
State Director of Special Education



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

June 3, 1976

Our Reference: ASB Information Bulletin /208

INFORMAL LETTER TO CHIEF STATE SCHOOL OFFICER

Subject: Instructions for Submittal of An Addendum to the Annual Program Plan for Title I, ESEA for Fiscal Year 1977 Regarding Public Law 89-313

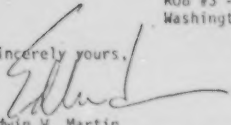
1. The purpose of this bulletin is to provide the instructions for submittal of the "Statement of Purpose" for handicapped children in programs operated or supported by State agencies and local educational agencies, usually referred to as Public Law 89-313.
2. These instructions are to provide you guidance in developing an addendum for Public Law 89-313 to the ESEA Title I Program Directive - Inst. A203.3, entitled Annual Program Plan for Title I, ESEA dated March 19, 1976.
3. To expedite time and effort, we have decided to use the same format as Title I, ESEA for the forthcoming fiscal year. Attached to this bulletin is the suggested format for the State educational agency to use in completing the requirements for submitting the Annual Program Plan for Fiscal Year 1977 under Title I of the Elementary and Secondary Education Act. The format suggests the "statement of purpose" for all State and local administered programs for handicapped children in accordance with Section 121 of the Act - (Public Law 89-313).
4. Each State educational agency should type the "Statement of Purpose" on the agency's own stationery and be signed as indicated by the Chief State School Officer. Since the "Statement of Purpose" is similar to the other programs under Title I and that Section 121 (Public Law 89-313) has been included in section I., Assurances of the Annual Program Plan, Fiscal Year ending September 30, 1977, the signatures of the Chief Legal Officer of the State and the Governor will suffice for this section (Public Law 89-313).

5. Grants will be made available to States upon the approval of the Title I, ESEA Annual Program Plan with this addendum. However, the effective date of the plan, and the release of grant awards cannot be earlier than July 1, 1976.

6. Please submit an original and one copy of only the addendum pertaining to Public Law 89-313 by June 21 to:

Ms. Joyce R. Broome
Policy Officer - Public Law 89-313
U.S. Office of Education
Bureau of Education for the Handicapped
400 Maryland Avenue, S.W.
RDB #3 - Room 2015
Washington, D.C. 20202

Sincerely yours,



Edwin W. Martin
Acting Deputy Commissioner for
Education of the Handicapped

Attachment

cc: Public Law 89-313 Coordinators
Title I Coordinators
State Directors of Special Education



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20002

October 4, 1976

Our Reference: ASB Information Bulletin #216

INFORMAL LETTER TO STATE COORDINATORS OF P.L. 89-313, AMENDMENT TO TITLE I, ESEA, AS AMENDED BY P.L. 93-380

Subject: Regulations Governing the Administration of Title I, Elementary and Secondary Education Act, as Amended by P.L. 93-380

1. Enclosed for your information is a copy of the general requirements under Title I, ESEA, which was published Tuesday, September 28, 1976 entitled, FINANCIAL ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES TO MEET THE SPECIAL EDUCATIONAL NEEDS OF EDUCATIONALLY DEPRIVED, NEGLECTED AND DELINQUENT CHILDREN. The extra copies are to be distributed among the participating State agencies within your State.
2. Please be advised that the regulations under Part 116 in the document are applicable to the State Operated Programs for Handicapped Children - P.L. 89-313 - Amendment to Title I, ESEA, as amended by P.L. 93-380. The additional requirements under P.L. 89-313 will be published separately following the same format as our proposed rulemaking published Tuesday, April 13, 1976.
3. The staff is continuously working with the Office of General Counsel in finalizing the regulations for P.L. 89-313 which will be contained in Part 116b. Hopefully they will be published before the end of the year. In the meantime, continue to forward your questions to your State Plan Officer and/or to Miss Joyce R. Broome - Policy Officer - P.L. 89-313.

John W. Jones
John W. Jones
Chief

Aid to States Branch
Bureau of Education for the Handicapped

cc: State Directors of Special Education



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20002
February 25, 1977

Our Reference: ASB Information Bulletin #226

INFORMAL LETTER TO PUBLIC LAW 89-313 COORDINATORS

Subject: Handbook on Performance Objectives -- Title I,
Elementary and Secondary Education Act of 1965

Enclosed for your careful study is a xeroxed copy of the Handbook on Performance Objectives. The extra copies enclosed are for distribution to the other State agencies who participate in the Pub.L. 89-313 program.

As discussed during our National Administrative Workshop held January 24 - 25, writing child centered objectives stated in terms of expected change(s) is one of the basic criteria for project approval. This handbook, therefore, can be used as a guide or resource for those persons responsible for developing project applications. Please feel free to xerox copies for dissemination to your project directors.

We sincerely hope you will find this handbook useful, and we look forward to seeing you during our regional meetings in the late spring, contingent, of course, upon the approval of the final regulations for Pub.L. 89-313.

Sincerely yours,

Joyce R. Broome
Policy & Procedures Officer
Pub.L. 89-313 Program
Aid to States Branch
Division of Assistance to States
Bureau of Education for the Handicapped

cc: State Directors

Encls.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D. C. 20002
April 26, 1977

ASE Information Bulletin #230

INFORMAL LETTER TO PUB.L. 89-313 COORDINATORS

Subject: Submittal of Pub.L. 89-313 Annual Program Plan
Description of Projects for Fiscal Year 1978

- 1.) The purpose of this bulletin is to provide further instructions for the submission of the Fiscal Year 1978 Annual Program Plan for Title I of the Elementary and Secondary Education Act as it relates to the State Operated Programs for Handicapped Children. The text and instructions were forwarded to the Chief State School Officers on February 3, 1977 in an ESEA, Title I, Program Directive INST. A203-5.
- 2.) The requirements for FY 1978 submission of the annual program plan has included Section 121 (State Operated Programs for Handicapped Children) under the Assurances and Statement of Purpose sections in the text. Furthermore, section 116b.15 of the proposed regulations (published April 13, 1976) for State Operated Programs states:
 - (a) A State which desires to participate under this part is required to submit a general application and an annual program plan to the Commissioner as provided in subsection 116.3 of this chapter.
 - (b) The annual program plan shall include a description of programs for handicapped children which are to be provided by each State agency receiving a grant under this part.

Section 116b.15(a) requirements will be carried out when the annual program plan is completed. Section 116b.15(b) requirement shall be submitted to our office only as described in the following items 3 and 4.

- 3.) Use separate sheet(s) for the description of projects

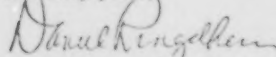
for each State agency and such items as the project number, a brief narrative of the project, number of children served by handicapping condition, location (city), number and type of staff to be employed, and the total amount of funds budgeted for the project should be included. Local educational agency projects should be listed under the State agency from which the children were formerly enrolled. If a local agency is receiving monies from more than one State agency, please list those projects separately but indicate the number of children and the amounts of funds from each individual State agency. If there are any on-going projects which you feel are particularly outstanding, please so indicate with an asterisk (*).

- 4.) One copy of the original annual program plan as well as the description of projects should be submitted no later than June 15, 1977 to:

Director, Division of Assistance to States
Attention: Ms. Joyce R. Broome
Policy Officer - Pub.L. 89-313
U.S. Office of Education
400 Maryland Avenue, S.W.
(Donohoe Building - Room #491C)
Washington, D. C. 20202

- 5.) Enclosed for your information and planning purposes is a computer listing of your participating State agencies, the number of children by handicapping condition, and the allocation for each agency. The funds shown on the computer printout shall become available for obligation on July 1, 1977. If the 1978 Annual Program Plan has been submitted in accordance with ESEA, Title I, Program Directive INST. A203-5, grant awards will be issued at that time.
- 6.) Should you have any questions concerning this, please feel free to call Ms. Joyce R. Broome at (202) 243-9405 or 9406.

Sincerely yours,



Dr. Daniel Ringelheim
Division Director
Division of Assistance to States
Bureau of Education for the Handicapped

Enclosure

cc: State Directors



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

JUL - 6 1977

Our reference: ASB Information Bulletin #235

INFORMAL LETTER TO STATE DIRECTORS OF SPECIAL EDUCATION AND
CHIEF STATE SCHOOL OFFICERS

Subject: Verification of Child Count Revisions

In response to ASB Bulletin #233, States have notified the Aid to States Branch of revisions to their October 1976 and February 1977 Child Count totals. In order to use the revised totals, which were reported prior to the June 30, 1977 deadline, in preparing a distribution of funds to the States for Fiscal Year 1978, ASB must have an official, signed document showing these revisions. If we do not receive this document by COB, July 18, 1977, the revised totals will not be used for the Fiscal Year 1978 distribution of funds, and the earlier totals submitted on an official, signed document will be used as the official Child Count totals.

If you feel that regular mail service will not allow you to meet the July 18, 1977 deadline, we can arrange for the use of a telecopier.

The Aid to States Branch would like the Fiscal Year 1978 distribution of funds to accurately reflect the number of handicapped children served in your State. However, we cannot accept revisions after the July 18 deadline. If you have any questions regarding this bulletin, Ms. Lucille Sieger of my staff will be glad to assist you (202) 245-9816.

Sincerely,

Daniel Ringelheim, Director
Division of Assistance to States
Bureau of Education for the Handicapped

cc: EHA-B Coordinators

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

OFFICE OF EDUCATION

WASHINGTON, D.C. 20540

September 9, 1977

Our Reference: ASB Information Bulletin #241

INFORMAL LETTER TO STATE COORDINATORS OF P.L. 89-313 AMENDMENT TO
TITLE I, ESEA, AS AMENDED BY P.L. 93-380

SUBJECT: Submission of OE Form 9052 (Formerly OE Form 2274) -
"Annual Survey of Average Daily Attendance of Handicapped
Children in Schools Operated or Supported by State Agencies".

1. Enclosed are 25 original copies of the OE Form 9052 (formerly OE Form 2274) which are to be used by eligible State agencies in reporting to the Office of Education the average daily attendance of handicapped children in schools operated or supported by the State agency. Eligible State agencies are those which have the direct responsibility for providing free public education for handicapped children established by State law. A separate OE Form 9052 must be completed by each participating State agency. Those State agencies applying for the first time must include along with the OE 9052 pertinent statutes and regulations describing the legal basis for their claims to be eligible for participation under Public Law 89-313, as amended.

2. **PLEASE NOTE:** The following instructions for computing and reporting Average Daily Attendance (Total Membership Enrollment) should be used in lieu of those that appear in the instructions on the form:

(a) DO NOT TAKE 94% OF THE MEMBERSHIP COUNT.

Use whole counts of the eligible children on membership rolls for this school year.

(b) State agencies and local educational agencies may count their eligible children from the membership rolls of October 1 or the closest available date on which the schools will be in session.

(c) The State education agency should aggregate the membership enrollment data from the local educational agencies according to handicapping conditions and report the data under the State agency (Section IV-OE Form 9052) which the children were formerly enrolled. (Report only children who were enrolled in the State agency school for at least one school year (i.e. 180 days of a school year, 9 months, or 12 months)

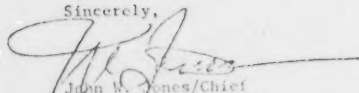
- (d) The State educational agency shall review and approve the completed information (Sections I-V) in OE Form 9052 and so indicate by completing Section VI. The approved forms are to be submitted to the Bureau of Education for the Handicapped no later than November 15, 1977.

3. If you have any further questions concerning the completion of OE Form 9052, please feel free to call Miss Joyce R. Broome or your State Plan Officer at (202) 245-9405 or 245-9815.

4. Please forward an original copy plus two zerox copies of the OE Form 9052 for each participating State agency to:

Miss Joyce R. Broome
Policy and Program Officer (P.L. 89-313)
Field Services Branch
OE/BEH/DAS
400 Maryland Avenue, S.W.
Donohoe Building - Room 4918
Washington, D.C. 20202

Sincerely,



John W. Jones/Chief
Field Services Branch
Division of Assistance to States
Bureau of Education for the Handicapped

Enclosures

cc: State Directors of Education



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20541

December 6, 1974

OFFICE OF THE
GENERAL COUNSEL

MEMORANDUM

TO : Ms. Joyce R. Broome
State Plan Officer, ASB

FROM : Education Division
OFFICE OF THE GENERAL COUNSEL

SUBJECT : Issues re P.L. 89-313 as amended by Sec. 101
of P.L. 93-380 -- State operated programs for
handicapped children under ESEA, Title I.
(Your memo of September 17, 1974)

In response to your memorandum of September 17, 1974, the following are our initial reactions to the issues you have raised. We would be pleased to discuss these matters further with you in the context of preparing revised regulations.

1. If a child is transferred to a private school located in an LEA, is he eligible to be counted for the purpose of determining a State agency grant under section 121(b)? Also, are children who are transferring to out-of-State schools eligible to be counted for this purpose?

(a) A child who is transferred from an educational program for handicapped children operated or supported by the State agency to a program operated or supported by an LEA, may be counted under section 121(b) for the purposes of determining the amount of the State agency's grant, if the conditions in clauses (1) and (2) of subsection (d) are met:

"(d) In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) He continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in subsection (c)."

The "purposes set forth in subsection (c)" are:

"(c). . . programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of [handicapped children]. . . ."

A child who transfers to a private school may be counted if the educational program for handicapped children in which he or she participates is "operated or supported" by the LEA. (Section 121(d)). The language ". . . operated or supported by . . ." was originally intended in P.L. 89-313 to take into account States that, in lieu of operating State institutions, provided public money to private institutions for the education of handicapped children. (See Cong. Rec., Oct. 13, 1965 at H 25925) The same reasoning may be applied with respect to LEA's which provided public money to private institutions for the education of handicapped children. ^{2/} In any case, the LEA must operate or support the program in the private institution for such transferred children to continue to be counted for the purposes of calculating the State agency's grant.

^{2/} We do not wish to intimate by this, however, that there may not be Constitutional problems with this approach where the private school is a sectarian institution.

(b) Likewise, a child transferred to an out-of-State school would continue to be counted in determining the State agency's grant if paragraphs (1) and (2) of subsection (d) are met and if the educational program for handicapped children in such school is operated or supported by an LEA. The impetus behind this deinstitutionalization of handicapped children is the recognition that such children greatly benefit from receiving their education, to the extent possible, alongside nonhandicapped children. (See Cong. Rec. July 31, 1974 at H 7054.) There is no prohibition to accomplishing this outside the State.

2. As we understand your second question, if a child returns to the State supported or operated school for handicapped children in an LEA supported or operated educational program for handicapped children, is the amount of money which was transferred to the LEA as attributable to the child, prorated between the LEA and the State agency?

If a child returns to an educational program for handicapped children operated or supported by a State agency after a brief time spent in such a program operated or supported by an LEA, the money received by the State agency under section 121(b) which is attributable to that child may be prorated between the LEA and the State agency. The LEA would not be permitted to retain the entire amount attributable to that child, since section 121(d) requires, as a condition to the transfer of such funds, that the child "continues to receive an appropriately designed educational program. . . ." You may wish to treat this issue in the regulations in order to avoid confusion and to give weight to the interpretation.

3. As we understand your third question, must a specific program be written by the LEA for each individual handicapped child who is transferred from the State supported or operated school to the LEA?

The program to which the child is transferred, which is operated or supported by the LEA, must include an "appropriately designed education program" for that child

which meets and is commensurate with his or her special educational needs, (section 121(c), (d)). Under subsection (d), such a child cannot be counted under subsection (b) for the purposes of determining the State agency's grant unless these conditions are met.

Subsection (d) applies "[i]n the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency . . .". (emphasis added) In order that the child may continue to be counted under subsection (b) for calculating the State agency's grant, subsection (d) (2) requires the money that is to be transferred to the LEA to be used for purposes set forth in subsection (d) (one which is designed to meet the special educational needs of the children and commensurate with the special needs of each child). The LEA would have to be able to show that such a program was being provided to the child, whether developed on an individual basis for each transferred child or otherwise.

4. As we understand your fourth question, if the superintendent of schools in an LEA approves (as the appropriately designed educational program) a program to place a child in a regular classroom with no special education services, may the funds attributable to the transferred child still go to the LEA?

The "appropriately designed educational program" referred to in subsection (d) (1) of section 121, is one which is commensurate with the child's special needs (as in the case under subsection (c) in a State agency operated or supported program).

In the case of a child who leaves such a State agency program in order to participate in such a program operated or supported by an LEA, subsection (d) (2) provides that the funds transferred to the LEA must "be used for the purposes set forth in subsection (c)". Thus, a program approved by the superintendent of schools in an LEA which would place the child back into the "mainstream" (regular classroom

situation) must still be designed to meet the special educational needs of that child. The determination whether this test has been met would have to be made with respect to each child, given his or her special needs.

5. How will the LEA which receives the transferred funds under section 121(d) be accountable to the State agency?

An LEA would be accountable to the State agency under subsection (d) in that the State agency must monitor the local program to ensure compliance with the applicable statutory provisions. (See 45 CFR 100b.431, which requires State agency monitoring of certain Federal program (including ESEA Title I) activities.) If the LEA is found to be out of compliance, the State agency would have to secure compliance or refrain from counting the affected children under Section 121.

6. As we understand your sixth question, how long will the child be counted in average daily attendance under section 121(b) for the purpose of determining the State agency's grant; i.e., if a child leaves a State supported or operated school for the handicapped at the age of 12 and remains in an appropriately designed educational program in the LEA until high school graduation or age 21 will the LEA continue to receive the funds attributable to the child throughout this period?

Under Title I of P.L. 89-10 (Elementary and Secondary Education Act of 1965), schools for the handicapped operated on a local school district basis were eligible for assistance. However, State operated or supported schools for assistance for the handicapped were ineligible for assistance. The purpose of the amendment made by P.L. 89-313 was to provide that handicapped children in State institutions could receive Federal assistance under Title I.

P.L. 93-380 has expanded this authority, to provide funds for deinstitutionalization of handicapped children.

The transfer of funds received by the State agency which are attributable to the transferred child is evidently intended to provide this incentive. (See Congressman Brademas' remarks in Cong. Rec. July 31, 1974 at H 7504).

We find no indication in the legislative history as to the length of time the funds will follow the child to the local program. In the absence of any indication to the contrary on the face of the statute, we see no reason why the funds attributable to a transferred child would not continue to follow the child so long as he or she continued to receive an appropriately designed educational program as discussed in number 3 above, and the State agency continued to transfer the funds to the LEA. This could continue for as long as a State agency is responsible for providing free public education for that handicapped child.

7. Are transferred children (from the State school for the handicapped to the LEA) eligible to participate in Part B, EHA projects?

Section 613(a)(9) of EHA provides that funds paid to a State under Part B of EHA for education of handicapped children shall not be available for such children who are eligible for assistance under section 103(a)(5) (now section 121) of Title I, ESEA. If a handicapped child is transferred to a locally operated handicapped program and the State agency transfers his or her proportionate share of funds to the LEA (under section 121) the child remains eligible for assistance under section 121. As long as the LEA attributable to the child is counted for the purpose of determining the amount of the State's allocation under section 121, that child would not be eligible for assistance under Part B, EHA.

8. Your eighth question, as we understand it, is how can the money which is attributable to the transferred child actually follow such child to the LEA? You state that "[funds are determined by the Average Daily Attendance of the last two previous years enrollment and not actual head count."

We would first wish to note that section 121 provides that average daily attendance is to be determined in the

most recent fiscal year for which satisfactory data are available". (emphasis added). The language on the face of the statute speaks in terms of a fiscal "year", not years. Therefore, there is some question whether you could use the ADA of the last two previous years' enrollment. However, since the statute does say "satisfactory" data, it might be arguable that the Commissioner could determine that the most satisfactory data can only be determined by use of the last two previous years enrollment.

Apart from this problem, and in answer to your question, the amount of funds to be transferred to the LEA which is "attributable to" the transferred child may be determined on the basis of average daily attendance during this period. It would be appropriate to cover this issue in the regulations.

9. As we understand your ninth question, can State agencies receive grants under section 121(a) only when the ADA of children in State supported or operated schools for handicapped children is certified? How will this affect initiation of projects for handicapped pre-school children?

A State agency may receive a grant under section 131(a) only for those handicapped children for whom it is directly responsible for providing free public education. The amount of its grant must be calculated on the basis of average daily attendance at schools for handicapped children operated or supported by the State agency. Thus, funds are not available under section 121 where average daily attendance of each handicapped children has not been determined.

10. As we understand your tenth question, is the maintenance of fiscal effort when funds are transferred to the LEA pursuant to sec. 131(b), the responsibility of the State agency or the LEA?

Section 143(c)(2) of ESEA (20 U.S.C. 241(g)(2)) requires that:

"[n]o payments shall be made under this title to any local educational agency for any fiscal year unless the State educational agency finds that the combined fiscal effort . . . of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than such combined fiscal effort for that purpose for the second preceding fiscal year."

Thus, the fiscal effort required applies to both the LEA and the State.

11(a). As we understand your eleventh question, will the money attributable to a transferred child follow that child to the LEA if that child resides in a State operated or State supported school for handicapped children and attends a local school program which meets the statutory requirements?

Since the statute places no restrictions on residence, the money attributed to the child may follow him to the LEA supported or operated program to which he is transferred, despite the fact that he continues to reside in the State operated or supported institution, if the child participates in the LEA program rather than in the State's program.

11(b) and (c). Will this money follow the child (1) if the child is released from such a State school to a foster home and remains a ward of the State and (2) if the child is released from such school and is no longer a ward of the State?

As long as the transferred child participates in an LEA operated or supported program which meets the requirements of section 121(d) it would make no difference whether the child resides in a foster home and remains a ward of the State or is no longer a ward of the State (unless the State

is no longer directly responsible for the child's education, in which case, that child could no longer be covered under Section 121).

Harry J. Chernock
Assistant General Counsel
for Education

By Steven N. Schatken
Steven N. Schatken
Chief, Special Services Branch

cc: Dr. Edwin W. Martin
Mr. Robert Herman
Dr. John W. Jones
Mr. Sky
Ms. Kemble
Mr. Rosenfelt

Dr. MARTIN. We have had a small unit to administer this program, three people, who were transferred from the Bureau of Elementary and Secondary Education. Over the years they have been the nucleus for support. However, as we have had additional staff to administer the act, we have shared the responsibilities.

Recently, we have been able to expand that staff to five. Also, we have the State plan officers who administer the new provisions of the Education of the Handicapped Act (EHA), serve as monitors and providers of technical assistance for the 313 program as well as for EHA when they visit states. This expansion became possible because of the passage of P.L. 94-142 which specifies concern for the coordination between the two programs, and also provides due process and other protections for children in the 313 program.

The Congress authorized 20 additional positions to administer that program. This provided us with the opportunity to add to this staff for the first time in almost a decade.

This new staff has also allowed the development of procedures for systematic review of the programs at the state level, and also for compliance visits to state schools or other settings.

Last year, we conducted 25 week-long visits to the states with a team of visitors included professional specialists from the Bureau and occasionally outside specialists. In addition, we visited 80 school programs supported by 313 funds. These visits detailed the deficiencies in the program and specified corrective action to be taken. In some instances, we temporarily held back available new funds until we were notified of the remedies the agencies had put in place.

We have also had ten follow-up visits to review situations we originally discovered. Although these visits required changes from State and local officials, the Bureau staff has handled their work very effectively. There has been no complaint from officials about the visits or about the Bureau pointing out needs that had to be corrected.

I will submit for the record an example of a follow-up letter to the State of Maryland which is a public document.

We had found some problems in regard to measurable goals.

[The letter referred to follows:]



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20002

SEP 17 1977

Honorable David W. Hornbeck
State Superintendent of Schools
State Department of Education
P.O. Box 8717 - BWI Airport
Baltimore, Maryland 21240

Dear Superintendent Hornbeck:

This letter will serve to summarize for you the results of the recent BEH visit to Maryland for the purpose of verifying the extent to which the corrective actions and timelines outlined in the Administrative Review Report have been accomplished.

On September 19 and 20, Ms. Toni Mason and I visited with the SEA and administrators at three LEAs and two State-operated programs. Preceding our visit we reviewed the comprehensive reporting and documentation received from Maryland in response to all corrective actions and recommendations reported as a result of the Administrative Review conducted during the week of June 6-10.

The P.L. 89-313, P.L. 93-380 and P.L. 94-142 programmatic variables designated for follow-up on this verification visit were as follows:

1. SEA Coordination of Vocational Education Programs for the Handicapped;
2. SEA Supervision and Monitoring Procedures;
3. SEA Coordinated Child Identification, Location and Evaluation Procedures;
4. Dissemination and Implementation of the Requirements to Protect Confidentiality of Data;
5. Development, Dissemination and Implementation of Procedures to Meet the Surrogate Parent Provision;
6. P.L. 89-313 - Program Evaluation Design, Measurable Goals, Monitoring.

1. Vocational Education

Findings:

Documentation from the Maryland State Department of Education to ensure SEA coordination of all programs for the handicapped in the State included submission of a Cooperative Agreement between the Division of Vocational-Technical Education and the Division of Special Education, dated June 28, 1977.

The BEH team found that at the local level State correspondence concerning the coordination of vocational education programs for the handicapped had been received and that a working relationship between vocational education and special education personnel was in place in the counties visited.

2. Program Monitoring

Findings:

Drafted procedures for implementing a comprehensive monitoring system of all educational programs for the handicapped administered in the State were forwarded to BEH. The Maryland State Department has indicated that on-site monitoring visits will be made to all twenty-four LEAs by the end of the 1977-78 school year.

Required Action:

Consistent with the timelines outlined in the Administrative Review Report, documentation will be required to verify that monitoring procedures are initiated by October 1, 1977 (i.e. final written procedures and monitoring schedule) - to be forwarded by October 1, 1977. Sample reports must be forwarded to BEH by October 30, 1977.

3. Child Identification, Location and Evaluation

Findings:

On July 5 the State Superintendent of Schools advised by letter Maryland's twenty-four school superintendents of the State's plan for identifying, locating and evaluating handicapped children.

On July 20 guidelines and criteria for the submission of child-find programs were distributed to LEAs.

On August 25, the State's Plans for a coordinated child-find program were presented at a statewide meeting to supervisors of all LEAs; and "Awareness" campaign packet was distributed for utilization by LEAs. A supplemental survey was taken to aid the State in the implementation of the child-find program.

Documentation of State program plans and procedures has been forwarded to BEH, and a child-find coordinator at the SEA has been designated.

While the BEH team found evidence of implementation of county child-find programs, the issue of a state-coordinated child-find effort remains.

Required Action:

Consistent with the timelines outlined in the Administrative Review Report, in order to verify the implementation of the State-coordinated child-find plans, the following must be forwarded to BEH by October 1, 1977:

- a. summary of child-find efforts accomplished by September 30, 1977;
- b. summary of statewide child-find data as reported to SEA by all LEAs and other agencies in the State.

4. ConfidentialityFindings:

- Because the awareness and implementation of the confidentiality regulations vary throughout the State, the Administrative Review Report required that a separate document outlining the individual confidentiality requirements be disseminated to all local and State agencies by the opening of the new school year (1977-78).

Although the State proposed bylaw on Student Records has been written and reviewed, the dissemination requirement has not yet been met.

Required Action:

Documentation will be required by October 1, 1977, to verify the dissemination of confidentiality requirements to all State and local agencies.

Documentation of the monitoring of the confidentiality requirements must be initiated by October 1, 1977, as well; and as indicated by the SEA, will be included in the State monitoring and evaluation procedures noted above.

5. Surrogate ParentFindings:

At the time of the BEH visit, there was no evidence that policies and procedures had yet been developed, adopted and disseminated throughout the State to incorporate the provision of recent State law concerning surrogate parent(s).

Required Action:

The SEA must develop, adopt and disseminate immediately throughout the State procedures for insuring State-wide implementation of this

procedural safeguard. Consistent with the timelines as outlined in the Administrative Review Report, a copy of the procedures for assignment of an individual to act as a surrogate parent must be forwarded to BEH by October 1, 1977.

6. P.L. 89-313 - Program Evaluation Design, Measurable Goals, and Monitoring

Findings:

The SEA response to these areas is found in the policies and procedures outlined in program monitoring. Implementation of monitoring and evaluation procedures will include projects operating in State institutions and LEAs funded or supported by P.L. 89-313 funds.

- No fiscal year 1978 P.L. 89-313 project shall be approved unless it contains goals and objectives that are child-centered and measurable. Project proposals submitted with inadequate goals and objectives are being revised to comply with these requirements.

Required Action:

A copy of sample revised project proposals must be submitted to BEH for review by October 1, 1977, in documentation of this effort.

It was a pleasure visiting in Maryland. The cooperation and commitment of the special education staff is much in evidence throughout the State.

• If you have any questions or if we may be of any assistance please call upon us.

Sincerely,

Beverly E. Brightly
Beverly E. Brightly
State Plan Officer
Bureau of Education
for the Handicapped

Dr. MARTIN. That is the kind of system we are using to assure the follow up on these visits is, in fact, in place.

During the visits we noted a number of problems which would be characteristic, I think, of any Federal or State program. The kind of changes we found were related to findings that a number of institutions hadn't devised systems for protecting confidentiality, and providing the due process protections the Congress had specified. This is very true, by the way, of all the Federal programs with which I have been familiar.

For a number of years we were very limited in the professional staff we had available to monitor programs and offer assistance to States. Although we conducted annual meetings with administrators, and regional workshops, et cetera, there still have been problems of communication, instances of misunderstanding of policies, et cetera.

Another issue that has been raised is how effective the State agency can be in providing coordination and supervision.

Mr. Brademas' subcommittee considered that issue, the oversight over that program. But it does take some working out. We have been working with the States to develop letters of agreement or other mechanisms under P.L. 94-142. But historically, the State has organized its programs and they separate these discretely; and there is a lot of work to be done.

I might say, last week during Kentucky Education Week I talked with the superintendent about coordination with Kentucky Human Resources Department. That is one of the things he is personally working on, to see how that interchange can be promoted.

There have been several issues raised by various studies, including the GAO study, a draft of which we saw within the last week, which are really policy issues. There are basically only a few, I think, that the committee will be facing at this time.

One question deals with whether Congress intended the 313 program to provide only supplemental support, or to assist with the basic instruction or program of services offered to children. Over the years we have given the States some flexibility in this regard, although in general we have operated under the assumption, that as with Title I in general, support for supplemental activities was preferred. The GAO notes there is some conflicting legislative history on this matter and suggests Congress may want to clarify its intent.

We have found that for certain types of handicapping conditions it is hard to decide what are basic and what are supplemental services. For example, the GAO uses an example of audiological services at a school for the deaf, suggesting that these could be seen as part of a good quality basic program provided by the State. We found that States were in a situation where many schools for the deaf did not have such programs, or had insufficient services for all students. They primarily offered basic classroom instruction by teachers. To us, the support of audiological services seemed to make sense and certainly supplemented the education they had historically offered in those settings.

That issue is one which, frankly, we think will be spoken to in a general philosophic direction.

The Congress faced a similar problem during the consideration of P.L. 94-142. State officials pointed out that many States had very comprehensive laws on the books, although none was able to supply all the services their laws intended. They were concerned that if the Federal Government assumed that they must offer all those services as part of the basic program, there would be no way to spend the Federal funds which were for "excess costs". I believe Speaker O'Neill offered an amendment which established that Federal funds under that law could be spent to provide these new services which were not currently being offered.

A similar and somewhat related question deals with whether funds should be "targeted" on certain groups of children, for example, the more severely handicapped, or perhaps on beginning new preschool programs, or conversely, whether they should be spread, more or less evenly, across all the children who are counted to determine a States' entitlement. The Bureau has proceeded since the passage of P.L. 93-380 to implement the less targeted approach that the Act called for, although some flexibility is allowed. The GAO report noted that some States are still not fully implementing this practice and presents the positive and negative arguments around this issue for Congressional consideration. Meanwhile, the report notes that the Bureau is stressing the implementation of the law in its State visits and administrative guidance.

For example, should you pile up the funds in projects serving the more severely handicapped or should funds be spread more evenly so that each child would get essentially the same dollar amount? Since the passage of P.L. 93-380, we have implemented the less targeted approach consistent with the amendments the committee offered at that time, although there still is room for a good deal of flexibility. The GAO implemented the process of giving each child roughly the same amount of money. The arguments for and against that are very strong, indeed, and persuasive. It's difficult to say which way it will go since there is merit on both sides.

Meanwhile, we have been stressing the implementation of the law as it is now with results which I think have worked to push the States in the direction the Congress intended to a much fuller degree. The GAO reports in its study of the situation, lists findings primarily before recent visits.

I think the passage of P.L. 94-142 has bearing on both these issues. The philosophy of that Act is to have the States provide a free, appropriate education for each handicapped child. When a State is able to demonstrate that it is in fact, meeting that goal, the Act allows great flexibility in the use of the Federal funds. I would assume that this type of approach might be paralleled in the 313 program as well.

Finally, I think this is a very important program and will play a key role in the overall implementation of the Education for Handicapped Children goal. The fact is that many of these programs have been neglected by the States. We all know the horror stories of large, impersonal institutions where children have been more or less "stored" and all too frequently ignored. The children in these schools by and large are the more severely handicapped, and they are likely to have come from the less affluent families, at least this

is true for the retarded and mentally ill children who make up the majority of this population. Many families with sufficient resources will place their children in private programs, if they can afford them.

It is my feeling that we will find problems in compliance with the Education of the Handicapped Act and with Section 504 of the Rehabilitation Act with regard to this population—not all children will receive the services they require in a timely fashion. While the Federal funds under this program cannot, and should not be expected to solve these problems for State officials they must continue to play a very significant role. I think the program has played an important part in providing and improving education to these most disadvantaged of children. Continued assistance to this population will be essential as we finally implement a public policy, which this committee did so much to stimulate, of assuring an appropriate education for each American child.

I think it critically important that the Federal program not be expected to pay all the costs and solve all the problems. But, nevertheless, this program I think is going to be critical and the States will try to continue their efforts under this program.

Thank you.

Chairman PERKINS. Thank you very much, Dr. Martin.

[The prepared statement of Dr. Martin follows:]

Statement by
 Dr. Edwin W. Martin, Jr.
 Deputy Commissioner
 Bureau of Education for the Handicapped
 U.S. Office of Education
 Department of Health, Education, and Welfare
 Before the
 Subcommittee on Elementary, Secondary, and Vocational Education
 Committee on Education and Labor
 U.S. House of Representatives
 Tuesday, October 4, 1977
 9:30 a.m.

Mr. Chairman:

Members of the Committee, we appreciate the opportunity to appear before you to discuss the Title I program which assists severely handicapped students in state-operated and state-supported programs. Over the years we have called this program the "313" program since it had no formal short title and it was originally authorized by Public Law 89-313.

The 313 program was a milestone in national concern for handicapped children. Prior to its passage in 1965 the Federal government had no program of direct support for education of handicapped children in the states, although there were grant programs which supported teacher education, research and captioned films for the deaf. Even the landmark Elementary and Secondary Education Act did not specifically identify the handicapped child for assistance in any of its programs.

Over the years this program has played a variety of useful roles in assisting the states to educate handicapped children. Its funds helped begin the first educational programs in a number of state hospitals for emotionally ill persons, and in hospitals for the retarded. State schools for the deaf and for the blind have been able to expand their educational programs, beginning preschool activities, expanding mobility instruction for the blind, etc. At present, more

than 200,000 children in over 6,918 centers or schools participate in the program. A variety of different agencies serve these children, departments of health, mental retardation, special institutions, etc. Each state has its own approach to this responsibility. Representatives of the National Association of State Mental Retardation Programs and others on the panel this morning can tell you more about the impact of the 313 assistance on their programming. While the program has been growing, it has also been changing in character as well. In the first years 98% of the children were enrolled in state residential programs. Now less than half, 49% are so enrolled, and the other children are in local or regional programs, as the philosophy of "de-institutionalizing" persons served by institutions for the retarded or mentally ill has become more accepted.

The program has been administered, for the most part, by the Bureau of Education for the Handicapped (BEH). Most of the responsibility was transferred to the Bureau in 1968, although the program administering the major part of Title I continued to have some technical and administrative responsibilities, such as those dealing with preparing the allocation of dollars for the states and related fiscal matters. The basic regulations for Title I were also generated by that unit, and those regulations provided the broad framework for administration of the 313 program. The Bureau, however, supplemented these regulations with guidelines and similar administrative memoranda which were necessary because of the specialized nature of the programs.

Recently, we up-dated the agreement between the Title I administrators and ourselves and agreed to additional responsibilities being delegated to BEH.

Over the years we have maintained a small unit, three persons, to administer 313. Recently, we have been able to expand that staff to seven, and also to have state plan officers who administer the new provisions of the Education of the Handicapped Act (EHA), serve as monitors and providers of technical assistance for the 313 program as well as for EHA when they visit states. This expansion became possible because of the passage of P.L. 94-142 which specifies concern for the coordination between the two programs, and also provides due process and other protections for children in the 313 program. This new staff has also allowed the development of procedures for systematic review of the programs at the state level, and also for compliance visits to state schools or other settings. We are also in the final stages of HEW clearance of new regulations for the program. We expect that clearance within weeks.

Last year we conducted 25 week-long visits to states and in this process visited about 80 school programs supported by 313 funds. These visits led to careful reports to state officials detailing deficiencies in the program, if any, and specified corrective actions to be taken. In some instances we temporarily held back new funds becoming available until we were notified of the remedies the agencies had put in place. We

have also had ten follow-up visits to review these situations. I might say Mr. Chairman, that although these visits obviously have required changes in practice or procedures by state or school officials, the Bureau staff has handled their work professionally and we have had no complaints from these officials about the manner or conduct of visits. Most of the problems noted were procedural. Specifically, the problem areas were: confidentiality, least restrictive environment and provision of surrogate parent, participation of all children counted and transfer to local agencies. Another major issue is the recognition of the supervisory authority of the State Education Agency.

As with all programs attempting to provide education or related human services, this program is not free from policy concerns. For a number of years we were very limited in the professional staff we had available to monitor programs and offer assistance to states. Although we conducted annual meetings with administrators, and regional workshops, etc. there still have been problems of communication, instances of misunderstanding of policies, etc. This problem has a parallel at the state level as well. Many states have not provided sufficient staff support for monitoring of local programs, or in this instance of state school programming. One of the problems we face in implementing P.L. 94-142 is that most states have not offered much supervision to local districts, and relatively small programs like those for the handicapped are more likely to be overlooked. With the additional staff I mentioned above, I think we have the capacity now for much more careful oversight, and I think the record of the last year documents that.

Another area that has been identified as presenting issues for resolution is the draft report of the GAO which will be discussed this morning. One question deals with whether Congress intended the 313 program to provide only supplemental support, or to assist with the basic instruction or program of services offered to children. Over the years we have given the states some flexibility in this regard, although in general we have operated under the assumption, that as with Title I in general, support for supplemental activities was preferred. The GAO notes there is some conflicting legislative history on this matter and suggest Congress may want to clarify its intent.

We have found that for certain types of handicapping conditions it is hard to decide what are basic and what are supplemental services. For example, the GAO uses an example of audiological services at a school for the deaf, suggesting that these could be seen as part of a good quality basic program provided by the state. We found the states were in a situation where many schools for the deaf did not have such programs, or had insufficient services for all students. They primarily offered basic classroom instruction by teachers. To us the support of audiologic services deemed to make sense and certainly supplemented the education they had historically offered in those settings.

The Congress faced a similar problem during the consideration of P.L. 94-142. State officials pointed out that many states had very comprehensive laws on the books, although none was able to supply all the services

their laws intended. They were concerned that if the federal government assumed that they must offer all those services as part of the basic program, there would be no way to spend the federal funds which were for "excess costs". I believe Speaker O'Neill offered an amendment which established that federal funds under that law could be spent to provide these new services which were not currently being offered.

A similar and somewhat related question deals with whether funds should be "targeted" on certain groups of children, for example, the more severely handicapped, or perhaps on beginning new preschool programs, or conversely whether they should be spread, more or less evenly, across all the children who are counted to determine a states' entitlement. The Bureau has proceeded since the passage of P.L. 93-380 to implement the less targeted approach that that Act called for, although some flexibility is allowed. The GAO report noted that some states are still not fully implementing this practice and presents the positive and negative arguments around this issue for Congressional consideration. Meanwhile, the report notes that the Bureau is stressing the implementation of the Law in its state visits and administrative guidance.

I think the passage of P.L. 94-142 has bearing on both these issues. The philosophy of that Act is to have the states provide a free, appropriate education for each handicapped child. When a state is able to demonstrate that it is in fact, meeting that goal, the Act allows great flexibility in the use of the federal funds. I would assume that this type approach might be paralleled in the 313 program as well.

Finally, Mr. Chairman, I think this is a very important program and will play a key role in the overall implementation of the Education for all Handicapped Children Act. The fact is that many of these programs have been neglected by the states. We all know the horror stories of large, impersonal institutions where children have been more or less "stored" and all too frequently ignored. The children in these schools by and large are the more severely handicapped, and they are likely to have come from the less affluent families, at least this is true for the retarded and mentally ill children which make up the majority of this population. Many families with sufficient resources will place their children in private programs if they can afford them.

It is my feeling that we will find problems in compliance with the Education of the Handicapped Act and with Section 504 of the Rehabilitation Act with regard to this population--not all children will receive the services they require in a timely fashion. While the Federal funds under this program cannot, and should not be expected to solve these problems for State officials they must continue to play a very significant role. I think the program has played an important part in providing and improving education to these most disadvantaged of children. Continued assistance to this population will be essential as we finally implement a public policy which this Committee did so much to stimulate, assuring an appropriate education for each American child.

We will hear now from Mr. Gregory Ahart of the GAO.

STATEMENT OF MR. GREGORY J. AHART

Mr. AHART. Thank you.

We took a look at 52 State-supported schools.

Chairman PERKINS. How many states?

Mr. AHART. Ten states and 52 schools within those states where P.L. 89-313 programs were being conducted.

We raised, first of all, a question as to the direction of the program; what role does the Federal Government play? Should it be supplementing a basic State program or available to assist in providing a basic program?

Twelve years have passed since enactment of the P.L. 89-313 program. Significantly changed conditions since that time have created a need to now clarify the direction of the program.

The P.L. 89-313 program was originally enacted in 1965 to make available Federal funds to assist States in providing education for institutionalized handicapped children. The specific purpose for which these funds were to be used has never been entirely clear—whether to finance only those activities which are supplementary to a basic, State-financed education program, or to help finance the basic educational program itself. Our review showed that not only is there confusion and conflict concerning the purpose of the program in legislation and regulations, but we found that neither the Federal Government nor many States have defined the terms “basic” or “supplemental” as related to education of handicapped children. In the early years of the program these distinctions between basic and supplementary purposes were not important because there was little in the way of existing State programs to provide even minimal education of institutionalized handicapped children.

In the intervening years, however, conditions have changed dramatically. Special education techniques have developed considerably since the late 1960's. The right to education by the handicapped has become a recognized national policy. New Federal laws, State laws, and court decisions have affirmed that education of handicapped children is a fundamental State responsibility.

We found wide inconsistencies in the use of P.L. 89-313 funds—frequently for activities which appeared to be basic in nature, and sometimes for custodial and life support activities rather than for educational purposes. Although many of these States have not defined basic education for their handicapped children, many of the services purchased with P.L. 89-313 funds could be considered the States' responsibilities under today's conditions.

We found a variety of charges which, while undoubtedly necessary to the operation of a facility or of custodial, life supporting, or other benefits to the enrolled children, appeared to be of questionable relevance to the school's formal education program.

At several projects, school officials believed that any services which benefit children are educational and therefore are legitimate charges to the P.L. 89-313 project.

Thus, opportunities to use Federal funds to enrich programs beyond minimal levels and to finance innovative teaching techniques and reforms are often lost.

We, therefore, recommend that the Congress clarify the direction of P.L. 89-313 program by specifying whether the program should finance only those activities which are supplementary to a basic, State-financed educational activity, or to help finance the basic educational program itself.

The second need we would like to discuss is the degree to which P.L. 89-313 funds may be targeted to or away from certain groups of handicapped children. The original legislation permitted unlimited targeting, in that some children could receive the benefit of all funds while others need not receive any benefit. More recent legislation, Public Law 93-380 dated August 21, 1974, and implementing Office of Education instructions make it clear that this is inappropriate, but suggest that some undefined degree of targeting may be permissible.

Our review of the allocation of fiscal year 1977 funds in 10 states showed that, despite the 1974 legislative amendment, targeting is still a widespread practice at two levels of the allocation process. First, when the State agencies made their allocations to their 1,152 schools, targeting took place in 74 percent of the cases—24 percent of the schools received greater or lesser than their proportional share, and 50 percent received no funds at all.

The second place targeting occurs is at the schools which use the P.L. 89-313 funds to provide educational services to the children. We categorized these services as either primary services consisting of direct instruction or educationally related services provided to a child on a regular basis by staff such as teachers, aides, and therapists; or secondary services consisting of (1) incidental services provided to a child on an irregular or infrequent basis by psychiatrists, social workers, counselors, librarians, et cetera; and (2) indirect service, such as training of teachers and parents, transportation, equipment and supplies, and school administration.

At the 52 schools we visited in the 10 states, 79 percent of the funds were targeted to provide primary and secondary services to 48 percent of the children. The other 21 percent of the funds were used to provide only secondary services to 42 percent of the children. The remaining 10 percent of the children received no P.L. 89-313 funded services at all. In many cases, the secondary services provided were quite remote from the students and, when allocated to each child, amounted to very little.

For example, one school received \$127,054, of which it used \$112,979 to provide primary services to 30 of its 226 children and \$14,075 to provide secondary services to all children. This resulted in an average benefit of \$3,819 for the targeted children and \$53 for the others. The secondary services consisted of one half-time counselor and a share of administrative costs. Another school used all \$159,160 it received to provide services to 153 of its 652 students, an average of \$1,040 per targeted child. The remaining 499 children received no benefits whatsoever from these P.L. 89-313 funds.

In order to comply technically with the provision of Public Law 93-380 requiring that all children counted for purposes of generating funds be served with those funds, State agencies that do not award funds directly to many of their eligible schools provide so-called agency-wide services instead.

We found that in most cases, these agency-wide services were likely to be diluted, remote, and of little proportional value to the children, raising a question of whether this practice, in itself, meets the intent of the legislative requirement to serve each child.

State agency and school officials generally defended their own allocation practices—whether targeting or not targeting—as educationally and/or administratively necessary. Those who targeted funds—either to schools or to children within schools—generally believed they were using the funds where they were most needed and that the availability of agency-wide services for all schools and students, however minimal, met the requirements of the law. Conversely, those who allocated funds and services on a proportional basis believed this practice to now be legally required and the only reasonable method, since the specific needs of the children are so difficult to determine, especially at the State level.

A few moments ago I mentioned there is confusion over the purpose and direction of the P.L. 89-313 program. Should the Congress resolve the confusion by directing that the program pay for only supplemental or excess services over and above the States' basic programs we believe the need to spread P.L. 89-313 funds to all eligible children, as intended by P.L. 93-380, would be minimized. This is because the children would be receiving a basic education commensurate with their needs from State funds.

Until such time as that occurs, however, we believe that additional guidance is needed from the Congress and the executive branch on the questions of targeting.

I would like to make a few comments on program administration.

The nature and extent of changes needed to improve the administration of the P.L. 89-313 program depend, in our opinion, upon decisions on the future direction of the program which we discussed earlier. If P.L. 89-313 funds are to be available for relatively unrestricted general educational purposes, including financing basic educational activities without first having the States define what they will fund, we believe that minimal Federal management is sufficient. On the other hand, if the purpose of the program primarily is to support activities which supplement a State-defined and funded education program, some changes and improvements in program administration are needed.

First, because the program statutorily falls under the Elementary and Secondary Education Act, the Office of Education's Bureau of Elementary and Secondary Education was made responsible for administering the program. In 1968, a year after the Bureau of Education for the Handicapped was created to administer all handicap education programs, the Bureau of Elementary and Secondary Education delegated program administration authority to the Bureau of Education for the Handicapped but retained for itself the fiscal functions.

This split in administration for P.L. 89-313 has limited the vested interest each of the bureaus has had in the management of the program and, in our opinion, is one of the major causes of the limited amounts of program guidance, technical assistance, monitoring and dissemination which we also found.

The second adverse effect of the placement of P.L. 89-313 in Title I is that it has severely restricted the visibility of the program in budget justifications. Consequently, in our opinion, the opportunity for the Congress to review and analyze the strengths and weaknesses of the program—its operation, its administration, and its effectiveness—has been hampered.

We believe, however, that Congress should consider legislatively transferring the program to the Education of the Handicapped Act for the aforementioned reasons.

Our review showed that the Bureau of Education for the Handicapped guidance to the States on program operations is largely fragmented. Also, although 12 years have passed since enactment of P.L. 89-313, there are still no separate Federal regulations on the program.

Because of the size and complexity of the P.L. 89-313 program, participating State agencies and schools need regulations, guidance, assistance, and periodic assessments to properly conduct program operations and carry out their responsibilities with a reasonable degree of uniformity.

The P.L. 89-313 program structure, including the legislation and HEW regulations, calls for dissemination of knowledge gained through activities funded by the program. School officials with whom we met generally believe that they had knowledge to share and that an interchange would be beneficial to all educators of the handicapped. Yet we found little sharing of knowledge taking place between institutions within a given State and even less between States. The principal reasons given by the educators were that (1) they were too busy coping with their immediate, day-to-day problems, and (2) the fear that spending money for dissemination would reduce the amount available for direct child services. We believe, therefore, that HEW leadership is needed to develop simplified methods for, and encourage interchange of knowledge between, state schools and institutions for handicapped children.

This concludes our statement, Mr. Chairman. We will be happy to answer any questions.

I ask that the full statement be included in the record.

Chairman PERKINS. Thank you very much, your testimony has been very important and to the point.

[The prepared statement of Mr. Ahart follows:]

United States General Accounting Office
Washington, D.C. 20548

FOR RELEASE ON DELIVERY
Expected at 9:30 a.m., EDT
October 4, 1977

STATEMENT OF
GREGORY J. AHART, DIRECTOR
HUMAN RESOURCES DIVISION
BEFORE THE
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION
OF THE
HOUSE COMMITTEE ON EDUCATION AND LABOR
ON
THE TITLE I PROGRAM FOR THE HANDICAPPED

Mr. Chairman and Members of the Subcommittee. We are pleased to have this opportunity to comment on the results of our work on the Title I State program for the handicapped, commonly referred to as the P.L. 89-313 program. A draft of our report is now with the Department of Health, Education, and Welfare for comment. We expect to issue the final report to the Congress in December 1977.

THE P.L. 89-313 PROGRAM

Public Law 89-313, dated November 1, 1965, amended Public Law 89-10 (20 U.S.C. 236, et. seq.), the Elementary and Secondary Education Act of 1965. Title I of the act provides financial assistance to local education agencies serving areas with concentrations of low-income families, in order to strengthen programs meeting the special education needs of educationally

deprived children. Public Law 89-313 extended this portion of the act to make grants available to State agencies responsible for educating handicapped children.

The P.L. 89-313 program, administered by the Office of Education provides grants through State education agencies to State agencies--such as Departments of Mental Health, Public Welfare, and Education--which are directly responsible for providing a free public education to handicapped children with State funds. State agencies are to use these grant funds for programs and projects which are designed to meet the special education needs of handicapped children in State-operated and State-supported schools. These State schools are located in institutions, hospitals, and other public and private facilities, most of which provide residential, treatment, or other services in addition to education.

In fiscal year 1977, the P.L. 89-313 program provided over \$111 million in grants to 143 agencies in all 50 States, Puerto Rico, Guam, and the District of Columbia. About 3,800 State-operated and State-supported schools and about 2,200 local education agencies participated in providing services to over 200,000 children. Grants to individual States and territories ranged from about \$156,000 for Guam to about \$11,300,000 for New York.

How the program works

Each October 1, every participating school counts its total enrollment of handicapped children under age 21 who have not progressed beyond the 12th grade and reports this figure through its State agency to the State education agency. This reported figure is known as the school's average daily attendance.

The law provides that for each fiscal year, a State agency is to receive 40 percent of the State's average per pupil educational expenditure for every child counted in average daily attendance on the previous October 1. The amount used as the average per pupil educational expenditure in the above calculation is to be not less than 80 percent or more than 120 percent of the national average per pupil educational expenditure. Another provision of the law ensures that each State agency will receive at least as much P.L. 89-313 funds as it did the previous year--the so-called "hold harmless" provision. For fiscal year 1977, the national average award of the P.L. 89-313 funds per handicapped child was \$552.

After receiving its annual grant, each State agency allocates the funds to its schools; the State agency may use a portion of the funds itself to provide administrative and agency-wide services. To receive P.L. 89-313 funds, an eligible school is required to submit a project application.

through its State agency to the State educational agency. In the application, the school indicates the number of children to be served, the nature and design of the intended project, and the objectives to be attained. The State educational agency reviews and approves each project application before the project is funded.

After projects are approved, both the State educational agency and the State agencies are required to monitor their progress. As a further control on each project, every participating school must prepare an evaluation report for the State educational agency at the end of each project, which is generally 1 year in length.

Scope of review

Our review was made at the Office of Education headquarters in Washington, D.C., and at State educational agencies, State agencies, and schools in the 10 States of Arizona, Colorado, Georgia, Illinois, Massachusetts, Michigan, Oregon, Pennsylvania, Texas, and Washington. We visited a total of 52 State-operated and State-supported schools having a combined attendance of 12,367 children and which received a total of \$5.6 million in P.L. 89-313 funds for fiscal year 1977. No attempt was made to evaluate the overall quality of education provided at any school nor did we discuss the program with participating children or their parents.

NEED TO CLARIFY PROGRAM DIRECTION

Twelve years have passed since enactment of the P.L. 89-313 program. Significantly changed conditions since that

time have created a need to now clarify the direction of the program.

The P.L. 89-313 program was originally enacted in 1965 to make available Federal funds to assist States in providing education for institutionalized handicapped children. The specific purpose for which these funds were to be used has never been entirely clear--whether to finance only those activities which are supplementary to a basic, State-financed education program, or to help finance the basic educational program itself. Our review showed that not only is there confusion and conflict concerning the purpose of the program in legislation and regulations, but we found that neither the Federal Government nor many States have defined the terms "basic" or "supplemental" as related to education of handicapped children. In the early years of the program these distinctions between basic and supplementary purposes were not important because there was little in the way of existing State programs to provide even minimal education of institutionalized handicapped children.

In the intervening years, however, conditions have changed dramatically. Special education techniques have developed considerably since the late 1960s. The right to education by the handicapped has become a recognized national policy. New Federal laws, State laws, and court decisions have affirmed that education of handicapped children is a

fundamental State responsibility. These changed conditions add considerable significance, as well as confusion, to the basic versus supplemental question, in terms of the respective responsibilities of the participants in this Federal-State partnership.

Our review at State agencies and schools for the handicapped in 10 States disclosed a variety of interpretations of these responsibilities. More importantly, we found wide inconsistencies in the use of P.L. 89-313 funds--frequently for activities which appeared to be basic in nature, and sometimes for custodial and life support activities rather than for educational purposes. Although many of these States have not defined basic education for their handicapped children, many of the services purchased with P.L. 89-313 funds could be considered the States' responsibilities under today's conditions.

The following are examples of P.L. 89-313 funds used for projects and activities which appeared to be basic rather than supplementary

- a school for the deaf used P.L. 89-313 funds to pay the salary of an audiologist, without whom the school cannot operate, according to the principal.
- P.L. 89-313 funds were providing a substantial portion of the basic education program at a school for emotionally disturbed children because the State does not provide sufficient funds to allow the school to educate all students.

--Another school was using its fiscal year 1977 P.L. 89-313 grant to provide services required by or resulting from State laws, but for which State funds were not made available. Included in the project were (1) vehicles to transport children to State-required classrooms, (2) a photocopier to meet the heavy paperwork requirements of the State law, (3) a summer program which extended the school year an additional 2 months, as required by State law, and (4) three educational aides to bring the student-teacher ratios to State-mandated levels.

Among the most controversial problems we ran into at the schools we visited was the relevance of certain expenditures of Federal funds to the schools' education programs. Neither P.L. 89-313, as amended, nor HEW regulations are entirely clear as to what kinds of services or benefits may be properly included within the definition of education, and therefore chargeable to Federal grants.

We found a variety of charges which, while undoubtedly necessary to the operation of a facility or of custodial, life supporting, or other benefits to the enrolled children, appeared to be of questionable relevance to the school's formal education program. For example

--one school spent over three-fourths of its grant for routine psychological testing and medical and dental

care services for its students. The school director stated that these charges were for ordinary health services, which are specifically required by State law, not for diagnostic services or other special needs of handicapped children. In addition, most of the health care services had been paid with State funds in prior years.

--another school used over 40 percent of its P.L. 89-313 funds to pay for six dormitory attendants to provide custodial care for its handicapped children such as making beds, cleaning rooms, and dressing and toileting them.

--another project used about \$40,000 in P.L. 89-313 funds over a 2-year period to remodel one kitchen and purchase equipment, utensils, and supplies for it and one other kitchen. For one of the kitchens, the institution purchased 2,880 dishes and items of silverware and 371 items of cookware, bakeware, preparation and serving utensils, and other miscellaneous items.

At several projects, school officials believed that any services which benefit children are educational and therefore are legitimate charges to the P.L. 89-313 grant. One of the school administrators stated that since the school's facilities existed to provide an education to children, any and all expenses incurred in operating the facilities were for educational purposes and could be provided with P.L. 89-313 funds.

As a result Federal funds are being used to pay for programs and activities which are now recognized by the States to be their responsibilities to provide. Thus, opportunities to use Federal funds to enrich programs beyond minimal levels and to finance innovative teaching techniques and reforms are often lost. As currently structured and operated, the P.L. 89-313 program acts as a disincentive to States to meet their new mandates and expand the state-of-the-art.

We therefore recommend that the Congress clarify the direction of the P.L. 89-313 program by specifying whether the program should finance only those activities which are supplementary to a basic, State-financed educational activity, or to help finance the basic educational program itself.

If the Congress decides the program is intended for basic support with few, if any, restrictions on the uses of funds, then consideration should be given to relaxing the Federal administration of the program in favor of increased State administration. If, on the other hand, the Congress were to direct that the program cover only those activities and programs which are supplementary to basic, State-funded activities, methods should be found which will assure that the States meet their responsibilities. This could be accomplished by (1) requiring the States to define and fund "basic education" or "basic educational standards" as a condition of eligibility for P.L.

89-313 grants, or (2) the Congress or the Office of Education prescribing more specifically the permissible purposes and uses of the grant funds.

TARGETING: NEED FOR CLARIFICATION

The degree to which P.L. 89-313 funds may be targeted to or away from certain groups of handicapped children is not entirely clear. The original legislation permitted unlimited targeting, in that some children could receive the benefit of all funds while others need not receive any benefit. More recent legislation, Public Law 93-380 dated August 21, 1974, and implementing Office of Education instructions make it clear that this is inappropriate, but suggest that some undefined degree of targeting may be permissible. Thus, since all children counted generate a specific dollar amount of P.L. 89-313 funds, we considered "targeting" to occur when funds are allocated in such a manner that the children or their school receives a greater or lesser amount than they generate, that is, a greater or lesser amount than their percapita or proportional share.

Our review of the allocation of fiscal year 1977 funds in 10 States showed that, despite the 1974 legislative amendment, targeting is still a widespread practice at two levels of the allocation process. First, when the State agencies made their allocations to their 1,152 schools, targeting took place in 74 percent of the cases--24 percent of the schools received greater or lesser than their proportional share, and 50 percent received no funds at all. For example, in one State, 503 schools were eligible to receive P.L. 89-313

funds in fiscal year 1977, but only 87, or 17 percent, actually received an award of funds. Similarly, in another State, 206 schools were eligible but only 82, or 40 percent, received funds.

The second place targeting occurs is at the schools which use the P.L. 89-313 funds to provide educational services to the children. We categorized these services as either

- primary services consisting of direct instruction or educationally related services provided to a child on a regular basis by staff such as teachers, aides, and therapists, or
- secondary services consisting of (1) incidental services provided to a child on an irregular or infrequent basis by psychiatrists, social workers, counselors, librarians, etc.; and (2) indirect services, such as training of teachers and parents, transportation, equipment and supplies, and school administration.

At the 52 schools we visited in the 10 States, 79 percent of the funds were targeted to provide primary and secondary services to 48 percent of the children. The other 21 percent of the funds were used to provide only secondary services to 42 percent of the children. The remaining 10 percent of the children received no P.L. 89-313 funded services at all. In many cases, the secondary services provided were quite remote from the students and, when allocated to each child, amounted to very little.

For example, one school received \$127,054, of which it used \$112,979 to provide primary services to 30 of its 226 children and \$14,075 to provide secondary services to all children. This resulted in an average benefit of \$3,819 for the

targeted children and \$53 for the others. The secondary services consisted of one half-time counselor and a share of administrative costs. Another school used all \$159,160 it received to provide services to 153 of its 652 students, an average of of \$1,340 per targeted child. The remaining 499 children received no benefits whatsoever from these P.L. 89-313 funds.

In order to comply technically with the provision of Public Law 93-380 requiring that all children counted for purposes of generating funds be served with those funds, State agencies that do not award funds directly to many of their eligible schools provide so-called agency-wide services instead. These services include administration, consultation, evaluation, and other services which are available from the State agency headquarters, generally on an as-requested basis, to all schools for the handicapped in that State agency system.

We found that in most cases, these agency-wide services were likely to be diluted, remote, and of little proportional value to the children, raising a question of whether this practice, in itself, meets the intent of the legislative requirement to serve each child. For four of the State agencies, the benefits per child were less than \$25.00. As a specific example, one State agency provided funds to only 41 of its 152 eligible schools. The 1,444 children at the 41 recipient schools each received an average benefit of \$1,142. For the remaining 111 schools and their 2,750 eligible children, \$10% of agency-wide services represents the maximum benefit each of the children could have received from P.L. 89-313 funds.

State agency and school officials generally defended their own allocation practices--whether targeting or not targeting--as educationally and/or administratively necessary. Those who targeted funds--either to schools or to children within schools--generally believed they were using the funds where they were most needed and that the availability of P.L. 89-313 funded agency-wide services for all schools and students, however minimal, met the requirements of the law. Conversely, those who allocated funds and services on a proportional basis believed this practice to now be legally required and the only reasonable method, since the specific needs of the children are so difficult to determine, especially at the state level.

A few moments ago we pointed out that there is confusion over the purpose and direction of the P.L. 89-313 program. Should the Congress resolve the confusion by directing that the program pay for only supplemental or excess services over and above the States' basic programs we believe the need to spread P.L. 89-313 funds to all eligible children, as intended by P.L. 93-380, would be minimized. This is because the children would be receiving a basic education commensurate with their needs from State funds. Those children who had additional or supplemental needs beyond the basic could then be the primary beneficiaries of the P.L. 89-313 funds, making the practice of targeting a justifiable and effective educational tool.

Until such time as that occurs, however, we believe that additional guidance is needed from the Congress and the executive branch on the question of targeting.

Therefore, since the controversy on targeting involves a question of educational effectiveness, we recommend that the Congress clarify whether targeting is acceptable and, if so, generally the extent to which it is acceptable. We also recommend that based on the action taken by the Congress, the Secretary of HEW direct the Commissioner of Education to issue implementing regulations which clearly state those conditions under which targeting is or is not permissible, and any limitations that must be adhered to in order to meet the intent without sacrificing educational objectives.

OBSERVATIONS ON PROGRAM ADMINISTRATION

The nature and extent of changes needed to improve the administration of the P.L. 89-313 program depend, in our opinion, upon decisions on the future direction of the program which we discussed earlier. If P.L. 89-313 funds are to be available for relatively unrestricted general educational purposes, including financing basic educational activities without first having the States define what they will fund, we believe that minimal Federal management is sufficient. On the other hand, if the purpose of the program primarily is to support activities which supplement a State-defined and funded education program, some changes and improvements in program administration are needed.

Legislative placement of the P.L. 89-313 program

P.L. 89-313 became an amendment to title I of the Elementary and Secondary Education Act of 1965 because the term

"educationally deprived" was recognized as properly including handicapped children who were in State schools or institutions and who were ineligible to participate in the title I program. At that time no separate, comprehensive Federal legislation covered education of handicapped children. In 1970, several handicapped-related educational enactments were consolidated into P.L. 91-230, the new Education of the Handicapped Act. P.L. 89-313 was not among these acts but remained a part of title I protecting the program's funding.

There have been two major consequences of the continuing existence of P.L. 89-313 in title I: (1) management of the program at the Federal level has been fragmented, limited, and complicated, and (2) its visibility for Congressional review and analysis has been severely restricted.

First, because the program statutorily falls under the Elementary and Secondary Education Act, the Office of Education's Bureau of Elementary and Secondary Education was made responsible for administering the program. In 1968, a year after the Bureau of Education for the Handicapped was created to administer all handicap education programs, the Bureau of Elementary and Secondary Education delegated program administration authority to the Bureau of Education for the Handicapped but retained for itself the fiscal functions.

This split in administration for P.L. 89-313 has limited the vested interest each of the two Bureaus has had in the management of the program and, in our opinion, is one of the

major causes of the limited amounts of program guidance, technical assistance, monitoring, and dissemination which we also found. For the States, this split in administration has also meant that directives come from both the Bureau of Education for the Handicapped and the Bureau of Elementary and Secondary Education and that the States' annual program plans must be approved by both Bureaus before a grant award can be disbursed.

The second adverse effect of the placement of P.L. 89-313 in title I is that it has severely restricted the visibility of the program in budget justifications. Consequently, in our opinion, the opportunity for the Congress to review and analyze the strengths and weaknesses of the program--its operation, its administration, and its effectiveness--has been hampered.

In our discussions on the pros and cons of the existing legislative placement of the P.L. 89-313 program, Bureau of Education for the Handicapped officials did not believe that the program should be transferred from title I to the Education for the Handicapped Act. They expressed concern that such a transfer would subject the program to comparison with less well-funded handicap programs, and would therefore likely have an adverse effect on the amount of funds made available to operate the program in the States. We believe, however, that Congress should consider legislatively transferring the program to the Education of the Handicapped Act for the aforementioned reasons.

Guidance and oversight functions

Our review showed that the Bureau of Education for the Handicapped guidance to the States on program operations is largely fragmented. Also, although 12 years have passed since enactment of P.L. 89-313, there are still no separate Federal regulations on the program. Until recently, the Bureau of Education for the Handicapped technical assistance and program monitoring were largely unplanned and principally confined to answering correspondence and reviewing periodic reports.

Because of the size and complexity of the P.L. 89-313 program, participating State agencies and schools need regulations, guidance, assistance, and periodic assessments to properly conduct program operations and carry out their other responsibilities with a reasonable degree of uniformity. Our review showed that the Bureau of Education for the Handicapped could do more to provide the needed assistance, and that confusion still remains in many States on how the program should operate.

Dissemination of program results

The P.L. 89-313 program structure, including the legislation and HEW regulations, calls for dissemination of knowledge gained through activities funded by the program. School officials with whom we met generally believe that they had knowledge to share and that an interchange would

be beneficial to all educators of the handicapped. Yet we found little sharing of knowledge taking place between institutions within a given State and even less between States. The principal reasons given by the educators were that (1) they were too busy coping with their immediate, day-to-day problems, and (2) the fear that spending money for dissemination would reduce the amount available for direct child services. We believe, therefore, that HEW leadership is needed to develop simplified methods for, and encourage interchange of knowledge between, State schools and institutions for handicapped children.

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This concludes our statement, Mr. Chairman. We will be happy to answer any questions you may have.

APPENDIX I

APPENDIX I

STATES AND SCHOOLS WHERE GAO
 REVIEWED P.L. 89-311 ACTIVITIES

<u>State and school</u>	<u>Primary handicaps</u>
<u>Arizona</u>	
Arizona Children's Hospital Maricopa County Hospital	Mentally retarded and other health impaired
Arizona State School for the Deaf and the Blind	Deaf and blind
Arizona Training Program at Coolidge	Mentally retarded
Arizona Training Program at Tucson	Mentally retarded
Neuva Vista School - Arizona State Hospital	Emotionally disturbed
<u>Colorado</u>	
Boulder County Board for the Developmental Disabilities	Mentally retarded
Denver Board for the Mentally Retarded and Seriously Handicapped	Mentally retarded
Colorado School for the Deaf and the Blind	Deaf and blind
Colorado State Hospital	Emotionally disturbed
Ridge State Home and Training School	Mentally retarded
<u>Georgia</u>	
Georgia Academy for the Blind	Blind
Georgia Mental Health Institute	Emotionally disturbed
Georgia Regional Hospital at Atlanta	Mentally retarded and emotionally disturbed

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(page 2)State and schoolPrimary handicapIllinoisAndrew McFarland Mental
Health CenterMentally retarded and
emotionally disturbedIllinois Braille and Sight
Saving School

Blind

Illinois School for the Deaf

Deaf

Lincoln Developmental Center

Mentally retarded

Mid Central Association

Mentally retarded

Massachusetts

Belchertown State School

Mentally retarded

Boston School for the Deaf

Deaf

May Institute for Autistic
Children

Autistic

Monson State Hospital

Mentally retarded

Perkins School for the Blind

Blind

Residential Rehabilitation
Center

Mentally retarded

MichiganGenesee Intermediate School
District

Mentally retarded

Bawthorn Center

Emotionally disturbed

Michigan School for the Blind

Blind

Michigan School for the Deaf

Deaf

Plymouth Center for Human
Development

Mentally retarded

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<u>State and school</u>	<u>Primary handicap</u>
<u>Oregon</u>	
Dammasch Hospital	Emotionally disturbed
Fairview Hospital and Training Center	Mentally retarded
The Farm Home	Emotionally disturbed
Jackson County Intermediate Education District	Mentally retarded
Lane Intermediate Education District	Mentally retarded
Oregon State School for the Deaf	Deaf
Regional Facility for the Blind (Eugene)	Blind
Southern Oregon Child Study and Treatment Center	Emotionally disturbed
<u>Pennsylvania</u>	
Centennial School	Emotionally disturbed
Elwyn Institute	Mentally retarded
Overbrook School for the Blind	Blind
<u>Texas</u>	
Austin State School	Mentally retarded
Dallas County Mental Health and Mental Retardation Center	Mentally retarded
Houston Independent School District	Deaf
Texas School for the Blind	Blind

APPENDIX I

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<u>State and school</u>	<u>Primary handicap</u>
University of Texas Medical Branch	Other health impaired
<u>Washington</u>	
Fircrest School	Mentally retarded
Francis Haddon Morgan Children's Center	Autistic
Interlake School	Mentally retarded
Lakeland Village School	Mentally retarded
Rainier School	Mentally retarded
Washington State School for the Blind	Blind
Washington State School for the Deaf	Deaf

Chairman PERKINS. I know we have two more witnesses, but I would like to interrupt and ask a question at this time.

Dr. Martin, do you believe these funds should be used for educational purposes only and, secondly, should they be directed to supplemental education services?

Dr. MARTIN. I think educational purposes must be very broadly defined for this population, Mr. Perkins, and I would not think they should be limited to classroom use alone.

Under the law and court orders, every single child, no matter how severely handicapped, has a right to some program of training, education and treatment. In order to develop a program for children who may be very severely damaged, you have to have a very broad concept of the kind of education you will have involved.

For example, one of the illustrations we have talked about this morning deals with the custodians in a hospital who work in the wards making the beds and so forth. Now, those people can be a very effective part of the training program, if they will help the young people there to develop self-help skills. Many professional people all over the world, for example in the Soviet Union, and in Scandinavian countries, see it as an extension of the education program.

So I would say, basically, if you are willing to define the concept of education and supplemental services, to include special services, health services, and psychotherapy in some instances, if you are willing to view that within the concept of a training program, there should not be much problem.

Chairman PERKINS. I am asking these questions because the GAO report found that some of these funds were not being used for direct educational purposes.

The GAO also found that frequently these funds were used for basic educational support. Do you care to comment further?

Dr. MARTIN. The basic educational support issue is a question I have been trying to speak to. My own feeling is that the program has a certain amount of flexibility which is important because you can't divide this issue into what is basic and supplemental. I would believe the concept developed in 94-142 would be the guidelines here. That is, if the State is, in fact, going to provide an appropriate program for every child, that point becomes moot, it seems to me.

It is more important and significant than a situation where there are insufficient services available, perhaps, but we are facing a law which says all States must educate all their children by a year from today. The use of the funds, I would think, should be flexible.

Chairman PERKINS. Should these funds be used for education, only?

Dr. MARTIN. Depending on how you define education.

Chairman PERKINS. Well, should they be used for extra educational services and basic education, would that be broad enough?

Dr. MARTIN. Yes, I think so. I think they should be used for education as designed in the Federal statute, special education and related services and those related services are a variety of services which a handicapped child needs.

Chairman PERKINS. Do you feel the funds should be spent on the children who generate the funds or should a State be able to concentrate them on only some of the children?

Dr. MARTIN. Again, starting with the premise that the State will provide a basic and appropriate education to each child, I have no objection to the State using some flexibility in targeting the funds because children range so greatly in their needs. As long as they were providing basic and appropriate education for each child if they needed to spend more on a deaf, blind child that would be fine.

Chairman PERKINS. One further question, should the program remain the same as it is in Title I and receive funding off the top, or should it be moved to the Handicapped Act?

Dr. MARTIN. Well, let me say, Mr. Perkins, that particular discussion is part of a planning effort which is going on in HEW right now. The Administration does not have a formal position on it as yet. My personal feeling is that it should be left where it is, for at least the next three to five years. I feel as though it is working now, it is providing very needed funds for very expensive programs and the pressure is on the States to find these sources of revenue. I personally believe in the expression of the old mountain saying, "If it ain't broke, don't fix it."

Mr. Quie.

Mr. QUIE. Dr. Martin, insofar as the State-run programs are concerned, do you think is best able to take care of the needs of the handicapped, the State or local education agency?

Dr. MARTIN. I can't answer that question in the absolute, Mr. Quie. I think there are State programs which are very excellent, indeed, and there probably always will be a need for certain programs for certain children who have problems of such severe magnitude that the State has a need to bring them together. In some instances the family is deceived or there are other reasons why they can't care for the youngsters.

Mr. QUIE. You indicated in your statement why some of the programs are handled by the State and some by the local education agency. Who has the best financial wherewithal to provide that education?

Dr. MARTIN. I don't know if I know the answer. Many local agencies seem to be having difficulty raising revenue locally by property taxes. Although, I believe it will probably require both local and State efforts. It is my feeling that the State has the broader revenue base to provide this aid.

Mr. QUIE. But so far as the Federal Government is concerned in 1978, if there are three children equally handicapped, one of whom is under a State program, the Federal Government will give according to the HEW figure here, using the average for the Nation, \$538.66, for the education of that person. If one stays in the local community and the school receives benefits from Title I, this will be \$378.52. However, if a child is not in a target school and is going to be eligible for benefits under P.L. 94-142, then the school will get \$150 in 1978 from the Federal Government.

That doesn't seem to me to be fair and equitable at all, if : State and local agencies have difficulty and we have to help them, why give more money for the State programs?

Dr. MARTIN. I follow the line that points to a discrepancy in the level of funding, but I know that you, of all people, have been a strong advocate for increased funds at the local level for programs and I would certainly share that view, but I don't see any solution in taking money away from the children who are now receiving it. Certainly, I think the goal should be to increase the funds to the maximum extent possible. I can't see any reason to take funds away or to reduce a formula or begin a 85 percent hold harmless provision which effects children in poorly financed institutions, children in a sense who are the worst disabled kids in the worst places. So any cutback there would be inappropriate, certainly on the basis of fairness.

I think what we have to do is to increase funds for the other children and bring them up to as strong a position as the Federal Government can allow.

Mr. QUIE. You feel if we don't raise the appropriation 94-142, which I hope will bring it up to the level of 89-313, that it is fairer to give it to a State program than a local.

Dr. MARTIN. There is not a competition between a kid at the local level and State level pulling on the dollars.

Mr. QUIE. I think we are being unfair to them. It is only fair if they receive the benefits needed to move them to their potential.

Dr. MARTIN. There is no tug of war between one child in a state center for the retarded in Alabama and one in the Tuscaloosa school district. I realize the educational costs should be separated from the total cost, but the fact is, that the State is in a total cost situation and it is running more extensive programs. Granted, the educational subsidy should not be too much different. But the fact, is as you know having been a State legislator, you are faced with the total budget situation for an institution, and in a sense it all is coming from one pocket and going into another. I don't see any advantage to the children in changing the formula. They can only lose.

Mr. QUIE. I would like to combine 89-313 and 94-142. Then if they decide the State programs are poorer or have certain difficulties, put more money into them.

I also have problems with the GAO report. As I recall, we had to change the law in 1975 because some of the States were counting all handicapped children but only giving assistance to a few. We had to change that practice. I buy what you said, that you ought to use the custodian—I don't like to call them custodians, but the ones who dress and take care of the children—to provide the educational competence for them.

Dr. MARTIN. That is why I think the overall protection in 94-142, which covers these children as well, is very important, Mr. Quie. That is, there has to be a basic educational program available and the State has to provide it. That is not true now. That is what the GAO found and the State coordinators will tell you. We are still at a point in time where the States will have to pay sharply increased costs to get every child in a State program into an educational setting. At this particular time, those children are more vulnerable. If you ask yourself who has more going for him, a child in a state institution placement or an LEA placement, I think the answer—the LEA youngster is at home and he has more going for him. The children in State programs may be out of sight; out of mind. I think partly, the increase in funds in these areas, compensates for situations where traditionally we have not been as careful in protecting those children.

Mr. QUIE. I recognize also how important the LEAs are. In Minnesota we have made a shift as in a number of other States where there are more State students educated in the LEA, and I see in 1948 it is 40 percent in residential and 49 percent in day programs and the local education agencies now have one percent. That is a growing amount.

Again, it seems to me it would be better if we had the administration of 94-142 and 89-313 together here and together out in the States, to make certain that the treatment would be fair and equitable. You know that they do vary between the LEA and the States.

Dr. MARTIN. I think you are right, definitely, Mr. Quie. First of all, we do administer the program in the same branch. Jack Jones, who is the chief of that branch was one of the three original persons that we inherited in 1968 from 313. When Jack first came to the Bureau, he was the 313 professional. He has now grown to take the responsibility for both programs in this branch. We have not felt as though the program has been in any way falling between the cracks. What we have had is a very severe problem with getting additional personnel which you yourself have helped us with over the years. With the passage of P.L. 94-142 we have the ability to add the staff to allow additional monitoring capability.

At the State level the problem is a little more complex. I think we would all agree that there still are coordination problems between the State education agency and the other State agencies. I would be interested in what other panelists have to say about that, although I feel we are making good progress and that the basic principle, articulated in 94-142 that the chief state school officer is now

responsible for the education of all of the children in the state is the solution to that problem. He can work with these other agencies in cooperative arrangements; he can have whatever administrative structure the State wants. I think that is a fact of life, the States will want to organize themselves differently.

I personally think that the change of the program from one statute to another seems cosmetic to me. What you have is a program which is now using four percent of the funds from Title I, and I don't think there is any great savings to Title I involved. But, if you take a \$120 million program and put it in a pot with 94-142 where you have \$300 million, you are talking about a 33 1/3 % so it seems to me what we will be doing from the Congress' point of view is shifting things from one pocket to the other.

The State may wind up finding it is competing here in a much smaller arena than it would be with four percent of \$3 billion.

Mr. QUIE. I would like to see the same subcommittee handle both of them and then we would more likely achieve the same kind of policies. I would like to see the State legislatures and the State administrators interact.

Dr. MARTIN. I hope we can strengthen the State management and coordination. We have the programs here in one bureau and one branch; but at the State level there are problems. I don't know how those can be best solved.

I think we have a structure for solving them and it is working; but I wouldn't be honest if I didn't say there has been a tendency, as there is in HEW or any other department, to have, as you know, different departments do their own thing. It is hard to bridge those things.

I don't know whether the Congress could mandate it.

One of the largest areas of slack we have gotten—

Mr. QUIE. No, we can't mandate it.

Dr. MARTIN. Right.

Suppose we did what you are suggesting. The program was changed, the Congress put it into 94-142; the funds would go to the States as they do now to the State education agency. Many States have determined that they want a State Department of Mental Retardation. If the children are going to be there how is the money going to get there? The agency will have to give it to them on behalf of those children. That is what happens now. That is why I think it would not change the way people would behave at the State level. They would still want to have State-related programs.

Mr. QUIE. I think it would change the way they would behave.

Mr. LEFANTE. Mr. Kildee.

Mr. KILDEE. I have no questions.

Mr. LEFANTE. On page 16 of your testimony in the last paragraph you recommend that Congress consider legislatively transferring the program to the Education for the Handicapped Act.

In your own words, how would that affect the dollar distribution? I know my mail has been increasing on the subject and there seems to be some very nervous administrators out there.

Mr. AHART. We have two thoughts in mind, Mr. Chairman. First, we feel the program being a program for the education of the handicapped, more logically fits with the Bureau of the Handi-

capped and the programs there, so they can be better articulated together. It doesn't appear to us to be critical that, because it is the same age group of children that Title I serves, services for the handicapped be funded under Title I as opposed to the Education of the Handicapped Act. As it stands now in the Office of Education, there are two bureaus involved; one responsible for some of the administrative aspects of the program and the other responsible for program management, technical assistance, program monitoring, and so on. This split in administration has, in our opinion, not helped the over all management of the program.

The other aspect of it, though, addressed more importantly, is that, within Title I the program doesn't have the kind of visibility to the Congress, to the Appropriations Committees and so on as it would have if it were a part of the Education of the Handicapped package. When you are talking about it as a part of a Title I program, you are talking about four percent off the top of a very large appropriation amount. If you are talking about it in the context of education of the handicapped, it becomes a much bigger marble in the bag of marbles, to use this analogy, and we think visibility for this kind of a program is useful; to insure that Congress is aware of what is going on. I think one of the problems here is that it hasn't had a great deal of visibility in terms of what is actually happening with the Federal funds over the twelve years the program has been in existence.

We are raising questions here this morning about what is the role of the Federal dollar; what is the intent; what should the States do with the Federal dollar. Should they use it for something over and above what they should be doing for the children anyway or should they just merge it in effect with State funds and use it for any purpose that they want.

I think to some extent that point got a little bit fuzzed up in the previous discussion here.

Dr. Martin is characterizing the attendants in the dormitory as being educational people in a way that I think certainly we would agree with. We are not drawing the distinction between what is education, per se, and what is not education so much as we are, what is the basic educational program and what is the supplementary program to meet special needs of individuals.

Now, I would like to make that distinction clear. It is not a question of what is and what isn't education, but what is a basic program against a supplemental service to a handicapped child.

Mr. LEFANTE. Have you taken into consideration that most of the children in the State-operated programs represent the most severely handicapped?

Mr. AHART. We are certainly aware of that.

Mr. LEFANTE. Bearing that in mind, what is your attitude on the dollar distribution? In other words, if we did put handicapped programs under one umbrella, which you are recommending on page 16, it is my understanding that it would affect the dollar distribution formula.

Mr. AHART. I am not sure that would affect the dollar distribution formula in and of itself unless the Congress itself gave different direction to the program. We did raise a question as a result of our

review as to what the Congress did have in mind in terms of the dollar distribution to any schools. We found that 50 percent of the schools in the 10 states we looked at did not receive any of the Federal dollars. Now, perhaps there was concentration at the State level. If the Congress decides targeting in that sense is a useful way to go and put the dollars where the children have the greatest needs, then that is the congressional intent would have no problem with that.

Mr. LEFANTE. Did they not qualify or was it just an oversight that 50 percent of the schools didn't receive any of the Federal dollars?

Mr. AHART. This is the way the State allocated the money. They held back some for agency-wide services which they felt met the attempt of Public Law 93-380 which says all the children must benefit, but the large bulk of the dollars went to the schools that they picked to receive the Federal funds. We feel that there is a need for Congress to clarify its intent as to whether the wealth should be spread more evenly or whether the States should be able to continue to target funds. Some States now are doing it proportionally, putting dollar for dollar to the children who generated the funds in the first place under the entitlement formula.

Other States felt that so long as they provided something at a State level, called administrative services or what-not, which had a general benefit to all the children in the State that were counted for entitlement purposes, they were meeting the requirement of the law that each child which is counted for fund-generation purposes receives some benefit.

We feel there is a need for Congress to clarify its intent. It is not a question of whether in our judgment it should be one way or the other.

Mr. LEFANTE. Do you know offhand what particular method gave us the most for our money? For example, I understand when the dollars follow the child that this becomes an administrative nightmare and there is more money spent on the administration of that buck following the kid than on the actual education of the child. What is your experience?

Mr. AHART. It would complicate the job of the State to monitor what the money is being used for and the kinds of programs. That would certainly be true and it would probably generate additional cost in the administrative sense. The more you can concentrate your funds, I think the management of the program is easier.

Again, we get back to what role did Congress intend the federal dollar to play, both in terms of what kinds of services it should provide and in terms of what children should benefit and to what extent.

Mr. LEFANTE. Assuming that had been established, do you think it would be wise to provide a hold harmless funding formula for these children in the State-operated institutions if we brought it under one umbrella?

Mr. AHART. Having been through a number of State institutions where you have severely handicapped children, I guess I would personally feel anything we can do for those children we ought to do. I would not suggest that most of those children are being over-served and we ought to take dollars away from them.

Mr. LEFANTE. Thank you.

Thank you, gentlemen. We appreciate your taking the time to come down this morning.

**STATEMENT OF DR. JOHN B. COCKSHOTT, ROBERT M. GETTINGS,
MORRISON G. CAIN AND STAN DUBLINSKE**

Dr. COCKSHOTT. We have a prepared text that has been presented to you.

[The prepared statement follows:]

STATEMENT OF TESTIMONY
ON THE
ELEMENTARY AND SECONDARY EDUCATION
AMENDMENTS OF 1977 (H.R. 15)

Respectfully Submitted
to the
Subcommittee on Elementary,
Secondary and Vocational Education
Committee on Education and Labor
United States House of Representatives

The Honorable Carl D. Perkins, Chairman

John B. Cockshott, Ph.D.,
National Association of Coordinators of State
Programs for the Mentally Retarded, Inc.

October 4, 1977

The National Association of Coordinators of State Programs for the Mentally Retarded, Inc., is a non-profit organization dedicated to expanded and improved public services for mentally retarded children and adults throughout the Nation. The Association's membership consists of one official per state who has been designated by the Governor to serve as the focal point for services to the mentally retarded. This official generally directs the state agency charged with the provision of day and residential services for the most severely retarded and multi-handicapped segment of the population. In addition to operating public residential facilities and supporting a wide range of alternative daytime services, most state mental retardation agencies are responsible for delivering educational services to eligible children in residential and daytime programs.

According to Office of Education statistics, 57.8 percent of the Title I funds expended on handicapped children in state operated and supported programs (or roughly \$65 million in FY 1977) are used to educate mentally retarded children. Within the states, these funds are administered by the state mental retardation agencies. Therefore, as an Association, we have a major interest in the Title I grant program for handicapped youngsters.

We appreciate this opportunity to appear before this Subcommittee to discuss the impact of the so-called 89-313 program and legislative proposals to extend and amend the statutory authority for the program. For the most part our comments will be based on the findings of a survey of state mental retardation agencies conducted earlier this year by our Association at the request of the Committee's staff (see Appendix I).

A. Underlying Rationale of the 313 Program

In 1965 Congress amended Title I of the Elementary and Secondary Education Act to authorize federal financial assistance on behalf of children in state operated and state supported schools for handicapped children (P.L. 89-313). This amendment to Title I was enacted only months after the landmark Elementary and Secondary Education Act, which authorized the first broad-based authority for federal aid to local public schools, was signed into law by President Johnson.

The rationale underlying P.L. 89-313 is that children in state institutions and other publicly financed education programs outside the local public schools should be entitled to federal assistance paralleling general Title I aid. In addition, it is argued that the federal government has a special obligation to help institutionalized children who often are among the most educationally deprived youngsters in our Nation.

As administrators of educational programs for the majority of 313-eligible children, we can report that the 1965 Amendments have done more to stimulate improvements in educational programs for children in institutions and other non-public school settings than any other development over the past decade. Prior to enactment of P.L. 89-313, most severely retarded and multi-handicapped children had no access to education and training services; instead they were left to waste away their lives at home or on the backwards of large dehumanizing state institutions. States expended little or no funds on educational services to handicapped children excluded from the public school system. Although much remains to be accomplished, this bleak picture has improved dramatically in recent years - largely as a result of the influx of 89-313 monies.

In many ways developments in the State of Indiana illustrate the innovative ways 313 funds are being utilized to expand educational services to multi-handicapped children. All 313-funded activities in my state are designed to expand and enhance the delivery of direct services to handicapped children. During the past year a total of 2,844 children were served in 313 funded programs. Of this number 1,709 children were below the mandatory school age of 6 while an additional 1,070 were between 18 and 21 years of age. As you can see, the basic thrust of our efforts is to assure that developmentally disabled youngsters who are either too young or too old to qualify for educational services through the local public school receive an appropriate educational program. This emphasis on children of pre and post school age permits us to concentrate on youngsters who are still ineligible for services under Indiana's mandatory education law. A 1974 survey conducted by our Association indicated that this bimodal age distribution was evident in many states even prior to the enactment of the federal Education for All Handicapped Children's Act (P.L. 94-142).

B. The Future of 313 Support

Some critics of the 313 program have suggested that the enactment of P.L. 94-142, with its strong emphasis on a zero reject education system, eliminates the need for a special program of federal aid on behalf of handicapped youngsters in state operated and supported schools. They contend that the "education for all" mandate contained in the law extends to all children - regardless of their educational setting - and, therefore, it is both confusing and inequitable to have a parallel system of support for children outside the local public schools.

After reviewing all of the arguments and counter-arguments for either eliminating

89-313 benefits entirely or folding them into Part B of the Education of the Handicapped Act, we are convinced that the quality and scope of educational services available to children in non-LEA settings would suffer if Congress were to enact such legislation. Therefore, NACSPMR strongly supports the continuation of a separate, identifiable program of federal assistance on behalf of children in state supported facilities for handicapped children - at least for the foreseeable future.

In reaching this conclusion we were influenced by the following factors.

1. All of the factual and impressionistic data available leads us to conclude that the educational community has a long way to go - both logistically and technologically - before it is able to fulfill the "education for all" mandate. Despite the priorities established in the Act, past history indicates that children who are the most severely handicapped, with the most atypical (and costly) educational needs, tend to be the last served in any educational (or other human service) system.

The educational problems posed by handicapped children in 313-funded programs are, by anyone's definition, among the most difficult facing the field. For example, recent studies indicate that almost three-quarters of the residents in public institutions for the mentally retarded in the United States are classified as either severely or profoundly retarded (i.e., IQ of 25 or below, with substantial deficits in adaptive behavior). This is a population which most educators have never worked with and, while there is encouraging evidence that

such children, with proper assistance can develop crucial life skills, traditional didactic approaches to education have proven almost meaningless.

Considering the massive problems involved in implementing the "education for all" mandate in the local public schools, this does not appear to be a propitious time to consolidate the 89-313 and Part B authorities.

2. Children in institutions and other non-LEA settings generally are not viewed as part of the state educational agency's responsibility and, therefore, we have no assurance that such youngsters will receive comparable benefits under an integrated program. The differential in federal per capita support levels under 313 (from \$415 to \$623 annually) and Part B (\$70 annually) suggest that, under a combined program, aid to state supported schools might decline sharply.
3. In a majority of states legal responsibility for furnishing educational services to children in state schools still rests with an agency or agencies other than the state education department. Even where responsibility for financing education on behalf of children in institutional and other non-LEA settings has been delegated to the state education agency, day-to-day operational authority generally rests with public institutional officials because of the need to integrate the child's educational services with other aspects of his or her overall habilitation plan. The maintenance of such a child -

centered focus is facilitated by the current system of targeted educational support through the 89-313 program.

Even if one were to accept the above points, it could be argued that simple equity and the need for a single, universal educational system necessitates a merger of the 89-313 and Part B programs. For example, some observers have suggested that there is no statutory rationale for a higher per capita support level under Title I than under Part B. We believe that a strong case can be made for differential support levels under the two programs, given the historical barriers to participation by severely handicapped children in the local school system and the lack of a local tax base to cover such services in most states. However, even if one accepts the contention that equalization is a desirable goal, it seems foolhardy to try to achieve short range equity at the expense of the severely and multi-handicapped youngsters currently participating in the 313 program. Such an approach would ignore two important facts. First, given the more extensive educational needs of the child population in non-LEA settings (and, consequently, higher average per capita costs), any attempt to achieve relative parity between the 89-313 and Part B programs, at this point in time, must be based on the percentage of costs, not actual dollar expenditures. For example, on the average, it costs approximately twice as much to educate the typical severely and profoundly retarded youngsters in institutions and day activity centers than it does to educate the average handicapped child in the local public schools. To apply a flat dollar limit on federal aid to children in both settings clearly would be inequitable. Second, the percentage of per capita support for the education of handicapped children under P.L. 94-142 is scheduled to escalate to 40 percent of average per pupil expenditures in

public elementary and secondary schools by FY 1982. That would be precisely the same level of support currently authorized under Title I for handicapped children's programs.

The real question then is: how should we achieve parity in federal support - by penalizing children in non-LEA settings or by gradually increasing the federal support level for LEA programs. NACSPMR strongly supports the latter approach.

While the members of our Association firmly backs the concept of a universal right to a free public education for all handicapped children, we don't feel that Congress should force the states into a common organizational approach to delivering such services. In recent years, some state legislatures have elected to transfer financial and/or operational responsibility for educating handicapped children in public institutions and other non-LEA settings to the SEA. Others have chosen to fix this responsibility with the state agency responsible for operating institutions and similar non-LEA programs where severely handicapped children are served.

The question really boils down to whether the delivery system should be organized around the child's diversified program needs or around a single service (education) needed by a broader group of youngsters. To our knowledge there is no conclusive studies which show that one organizational approach works better than the other. Until such data is available we believe that Congress should leave it to state legislature to determine which approach best addresses the needs of handicapped children in its state.

C. Legislative and Administrative Improvements

Although NACSPMR opposes fundamental revisions in the existing 313 grant authority for handicapped children, we do feel that there are several legislative and administrative steps which might be taken to improve the program. As far as the statute is concerned, we support the following amendments to Section 121 of the Act and associated HEW regulations and guidelines:

- Strengthen the Interface Between 313 and Part B. Several steps should be taken to assure that the language of Section 121 conforms to the provisions of the Education for All Handicapped Children's Act.

First, the due process safeguards contained in Section 615 of P.L. 94-142, the "least restrictive alternative" provision (Section 612(5)) and the "education for all" mandate (Section 612(2)) should be referenced in Section 121 to underscore the fact that these provisions of the 1974 and 1975 amendments are applicable to 313-eligible children. It was clearly the intent of Congress in enacting P.L. 94-142 that these provisions of the Act should apply to all handicapped children, including those in 313-funded programs. The proposed conforming amendment would simply reinforce this fact.

Second, a clear differentiation should be drawn between children countable under Part B and children countable under Title I in order to eliminate the problem of double counting. A recent GAO report indicates that some jurisdictions have been guilty of including children in both their Part B and 313 child counts, although the language

of Section 611(a)(5)(A)(iii), P.L. 94-142 clearly prohibits this practice.

Third, Congress should clarify the circumstances under which parents can be held financially liable for the non-educational costs of services provided to 313-eligible, handicapped children (i.e., room, board and non-medical service costs). In this regard, Section 121 should make it clear that, in a Medicaid and/or Medicare-eligible institution, the term medical costs will be interpreted to include all costs normally reimbursible under Titles XVIII and XIX of the Social Security Act. The purpose of such an amendment would be to prevent otherwise eligible children from losing their entitlement to Medicaid and Medicare benefits because of the language and regulatory interpretation of Section 602(16) of the Education of the Handicapped Act.

Finally, Congress should make it clear in report language that a Medicaid-eligible, long term care facility, which is also responsible for providing educational services to 313 children, must integrate each child's Individualized Education Program (required under Section 612(4) of P.L. 94-142) with the child's overall, Individualized Habilitation Plan, required under existing Medicaid regulations.

- o Simplify and Improve Administration of the Program. Among the specific steps which could be taken to improve the overall administration of the program are to:

- consolidate authority to administer the handicapped portion of the 313 program in the Bureau of Education of the Handicapped and direct the Department to assign increased staff to manage the program. At present, responsibility for management of the program is divided between BEH and the Bureau of Elementary and Secondary Education. In the past, this division of responsibility has led to confusion and unimaginative management of the program. This problem has been compounded by the inadequate staff resources available. Currently, there are only three full time BEH staff responsible for administering this \$121.6 million program.
- require that state level administrative responsibility for the program be fixed with the same organizational unit designated to administer Part B funds. Currently, special education divisions in state departments of education have little or no control over the allocation of 313 funds because responsibility is lodged with the general Title I unit in the agency. Given the fact that the purposes and goals of the 313 program are more closely allied with the general goals of the state special education program (especially since the enactment of P.L. 94-142), Congress should make it clear that it expects both Part B and 313 funds to be managed by the same administrative unit of state government.

- earmark a specific set-aside for administration of 313 funds. Under current law, administrative costs are recoverable only from the general (1%) Title I set aside. In practice, little or none of these funds are applied to the administration of 313 grants for handicapped children in most states. Given the need for improved reporting and tighter management of the program at the state level, a modest set aside for 313 administrative costs would appear to be a wise investment.
- require the Office of Education to complete and submit to Congress, within eighteen months after the enactment of statutory language, a comprehensive evaluation of the 313 program, including legislative and administrative recommendations for improving the quality and accessibility of educational services designed to meet the needs of handicapped children in non-LEA settings. Clearly such a comprehensive review and analysis of the program is long overdue.
- o Eliminate the so-called "deinstitutionalization" authority contained in Section 121(d) of the Act. As the results of the survey conducted by NACSPMR earlier this year tends to substantiate, this provision, added to the statute in 1974, has had little or no impact on the placement activities of public institutions. Indeed, because of the Title I "hold harmless" language adopted by Congress that same

year, the deinstitutionalization incentive has resulted in resources being drained away from state-run facilities to reimburse local school districts. Given the relatively low number of children placed, the administrative complexities the provision has added, and the recent increases in Part B support to LEA's, NACSPMR feels Section 121(d) should be repealed.

However, should Congress decide to retain this provision of the Act, then, at the very least, steps should be taken to: (a) limit to two years the period in which a child transferred from a 313 setting to an LEA remains eligible for such aid; (b) hold the 313 agency harmless, for any dollars transferred to an LEA on behalf of a "deinstitutionalized" child to prevent any disincentive to placing the child out of an institutional setting; and (c) simplify the process of transferring funds between agencies by eliminating the requirement that funds be transferred directly to the LEA.

- o Limited authority should be granted to extend educational assistance to certain handicapped persons over 21 years of age being served in 313-funded programs. The present rationale for limiting educational services to children under 21 is based on the well established developmental curve for normal children - i.e., the period of maximum physical and mental growth occurs between 0 and 21 years of age and, therefore, these are the prime learning years. However, there has been very little research conducted on the growth curve

of severely and profoundly retarded youngsters.

In fact, some of the studies which have been completed suggest that severely and profoundly retarded individuals have a more gradual and elongated growth curve. For example, a recent analysis of the behavioral characteristics of some 1,378 severely and profoundly retarded persons served by the Connecticut Department of Mental Retardation suggests that many of these persons continue to acquire basic life skills (ambulation, gross and fine motor skills, communication, toilet training, self feeding and dressing, etc.) well into their 30's even without systematic outside intervention. Although these and similar findings are far from conclusive, scientific proof, the rationale for limiting educational services to children under 21 years of age deserves to be studied by Congress.

Another reason for extending the provision of educational services to adults is that many handicapped persons - especially the more severely handicapped - were denied access to a free public education during their developmental period. Equity would seem to demand that some form of compensatory aid be made available to such adults. One indicator of the need for such compensatory assistance is the growing number of adult education and community college programs to teach developmentally disabled adults basic self-help and community adjustment skills.

* * * * *

Mr. Chairman, we want to thank you and your colleagues for giving us this chance to share with you our views on legislation to extend and amend Title I of the Elementary and Secondary Education Act as it affects handicapped children. It is a program which has opened up new vistas of opportunity for tens of thousands of some of the most severely handicapped children in our Nation. Your efforts on behalf of these children are deeply appreciated by the members of our Association. For our part we stand ready to assist the Subcommittee in any way we can as you undertake the difficult task of drafting legislation to modify and continue this important program.

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SURVEY REPORT

on

FEDERAL AID TO STATE OPERATED AND
SUPPORTED SCHOOLS FOR THE HANDICAPPED

April 25, 1977

Prepared by
National Association of Coordinators
of State Programs for the Mentally Retarded, Inc.

SURVEY REPORT

on

Federal Aid to State Operated and
Supported Schools for the HandicappedI. Background

In 1965 Congress amended Title I of the Elementary and Secondary Education Act to authorize federal financial assistance on behalf of children in state operated and state supported schools for handicapped children (P.L. 89-313). This amendment to Title I was enacted only months after the landmark Elementary and Secondary Education Act, which provided the first broad-based authority for federal aid to local public schools, was signed into law by President Johnson. The rationale underlying P.L. 89-313 was that children in state institutions and other publicly financed education programs outside the local public schools should be entitled to federal assistance paralleling general Title I aid. In addition, it was argued that the federal government has a special obligation to help institutionalized children who often are among the most educationally deprived youngsters in our Nation.

Early this year the minority staff of the House Education and Labor Committee developed a questionnaire concerning the operation of the 89-313 program (see Attachment A). Since the statutory authority for the program expires next year the Committee must decide whether to extend or amend the legislation during 1977. Through the questionnaire the staff hoped to elicit information which would be helpful to the Committee in reaching such a decision.

The questionnaire attempted to elicit the views of state officials concerning: (a) whether the 89-313 program should be continued, especially in light of the emphasis on serving all handicapped youngsters in the "Education for All Handicapped Children Act of 1975" (P.L. 94-142); and (b) if so, what modifications need to be made in the program to make it consonant with P.L. 94-142 and to eliminate any other operational problems.

The Committee mailed the questionnaire to all state and territorial directors of special education. In addition, since approximately sixty percent of 89-313 funds are expended on behalf of mentally retarded children in state institutions and other eligible settings outside the public schools, the Committee's staff encouraged the National Association of Coordinators of State Programs for the Mentally Retarded to conduct a parallel survey of state mental retardation officials.

A memorandum transmitting the Education and Labor Committee's questionnaire was sent to all state mental retardation directors in early February. The findings contained in this report are based on written responses received from a total of nineteen states (see list of respondents at Attachment B). While there is no way of verifying that the replies received are representative of the views of state mental retardation officials in the non-responding states, the NACSPMR staff believes, based on its continuing interaction with state MR officials, that the results constitute a reasonable cross-section of nationwide opinion on this subject.

II. Findings

- A. Future of the 89-313 Program. Three survey questions dealt with the possibility of terminating 313 aid. The first asked whether the program should be continued in its present form. The second requested a reaction to the possibility of repealing the provision of 89-313 and, thereby, totally eliminating federal support on behalf of handicapped children in state operated and supported schools. Finally, respondents were asked for their opinions regarding the impact of combining the 89-313 and 94-142 funding authorities.

Among the eighteen state MR directors responding to the first question there was unanimous agreement that the 89-313 program should be continued, either in its present form or with only relatively minor changes. While a wide variety of reasons were cited, the consensus of opinion was probably best summarized by Dan Payne, Assistant Commissioner for Mental Retardation in the Virginia Department of Mental Health and Mental Retardation, who said:

"The 89-313 program should remain as a separately funded program under ESEA for eligible children receiving education in state operated hospitals and institutions. The administration of 89-313 programs can more clearly be defined and controlled if the programs remain separate from those federally funded programs offered for handicapped children in local school divisions."

Although there was agreement on the need to continue the 313 program, over half the respondents (10) indicated that they felt specific aspects of the program's operation needed to be changed. The nature of these proposed changes are summarized in the section on operational problems (see II-B below).

All nineteen respondents agreed that discontinuation of 313 support would have a disastrous impact on the range and quality of educational services provided to handicapped youngsters in state operated and supported schools. The following comments exemplify the responses received:

"A drop in some supportive services from P.L. 89-313 (like occupational therapy, physical therapy, etc.) would have a direct effect on the quality of education received by institutionalized students." (Francis P. Kelley, Director, Florida Retardation Program Office)

"(a) Educational services at Waimano Training School [would] be cut by 1/3; (b) 89-313 schools [would] lose educational assistance and some teachers, and [would] not be able to conduct summer school program and provide supplemental materials and equipment needs." (William S. Fujikawa, Program Specialist, Office of Instructional Services, Hawaii Department of Education)

"The lack of a categorical program to specifically address the supplemental needs of institutionalized and non-public educational facilities would be disastrous. The state provides only basic minimal education in these facilities, where the most handicapped

children are provided an educational program. There would be only a basic minimal education program for the most severely handicapped child." (Charles L. Leight, Assistant Director for Administration, Maryland Mental Retardation Administration)

"The occurrence. . . would be devastating to many of North Carolina's programs serving mentally retarded children through the Division of Mental Health Services. Our office currently serves 3,568 children with 69-313 funds on a budget of \$1,471,687 and anticipates serving 3,169 children in fiscal year 1978 with an anticipated budget of approximately \$1,515,384. Those served include residents of four regional mental retardation complexes, and eighty developmental day centers. Approximately 100 employees would be directly effected if this funding was ceased, and thousands of dollars provided for equipment, supplies, and consultative services would be relinquished." (Tony Hannah, Educational Program Specialist, Mental Retardation Section, North Carolina Division of Mental Health Services)

"If total funding ceased it would have a dramatic and disastrous effect on programs in Oregon, specifically. Approximately 234 mentally retarded, developmentally disabled pre-school children would be dropped from service. This would affect the employment of 20 teachers and 19 teacher aids. In addition, it would reduce educational programs in the institutions for the mentally retarded by half. Oregon's Parent Training Program would be severely curtailed, as the core of the program the Teaching Research Behavior Clinic, would probably be discontinued, as would three of the 13 parent trainer positions which are currently covered by Title I. The pre-school, TMR and prevocational training program which so far has trained approximately 120 teachers in an intensive one-week inservice training program, would be severely curtailed; and finally, two consulting specialists, who offer consultation help and direct instruction, as well as providing leadership and inservice training, would be discontinued." (David A. Isom, Assistant Administrator, Oregon Mental Health Division)

"This would be a drastic blow to many of the programs and primarily the Community Day Service programs who are now addressing themselves to the 0-3 age group. Wisconsin has taken the position that the educational services for children of compulsory school age are the responsibility of the local educational agency (LEA) and we are contemplating phasing out our day service programs from providing services for children 3-5 and young adults 18-21, possibly by 1980 through a cooperative agreement with the SEA which would conform to the intent of P.L. 94-142 . . ."

"The cessation of these funds coming into the state, needless to say, would have a severe impact on the educational programs within state residential facilities under DMSS . . . The funds available through state monies would enable us to maintain a level of programming that would meet the standards of the SEA but would not

be sufficient to encourage the creative and innovative kinds of program that we have been able to develop through the use of these federal funds." (Gerald E. Dymond, Director, Bureau of Developmental Disabilities, Wisconsin Division of Mental Hygiene)

Twelve respondents indicated that a diminution of services to children in state run facilities would probably occur if 89-313 funding were to be folded into the Education of All Handicapped Children Act. Most of them based this conclusion on the wide gap between the current per capita federal reimbursement rates under 89-313 and 94-142. They also expressed serious doubts concerning the capacity and willingness of the general school system to address the special educational needs of the severely retarded and multi-handicapped youngsters often found in institutional settings. Even the three respondents who expressed philosophical support for assigning the state/local educational system responsibility for educating children in institutions and similar non-IEA settings expressed some reservations about their state's capacity to do so without interruption in vital educational services to affected children.

The following extracts typify the views of the respondents:

"Lack of specific identification and priorities for children's needs who are outside of the public education sector would be detrimental to meeting the educational needs of these children. Disregard of turfdom in providing local education funds following the child regardless of where his education occurs has not been accomplished within Maryland. It would be difficult if not impossible to assure that children in institutions would receive funding appropriated through the Local Education Agency, which is the unit level of 94-142. Combining these programs would, in our opinion, submerge the needs of the most handicapped population. If these children could not be counted to immediately generate funding (this is the case presently), their current educational program would be severely curtailed." (Charles L. Leight, Assistant Director for Administration, Maryland Mental Retardation Administration)

"The programs under our control would not be guaranteed continuation since we are not considered to be a school district or part of a school district. We would not be eligible to receive direct funding on the basis of 94-142. We would still be eligible to apply for the state-controlled share of those funds but we would have to compete for them and, since the unserved have priority and our clients are generally served, we would not be in the forefront of those eligible groups. Consequently, we would anticipate a regression on the part of our clients." (Russell C. Siraguse, Director, Bureau of Education, Division of Mental Retardation, New York Department of Mental Hygiene)

"As it is currently projected, the P.L. 94-142 funds would be spread out on a per capita basis to all handicapped children in any given district. This means that each child would generate \$70, \$35 of

which would go to the district and \$35 of which would go to the Department of Education. Currently, Oregon is generating \$532 in P.L. 89-313 funds for each MR/DD child counted. The vast majority of these funds go directly back to services for MR/DD children. If this funding were spread out over all handicapping conditions, it would significantly reduce the services to the MR/DD children." (David A. Isom, Assistant Administrator, Oregon Mental Health Division)

"For the coming year the 89-313 funding level is \$414.00 per child and 94-142 is \$275.00 per child. This would be almost as bad as a total discontinuation." (James E. Craft, Ph.D., Deputy Commissioner for Mental Retardation Services, Texas Department of Mental Health and Mental Retardation)

"It is estimated in Virginia that combining 89-313 money with Public Law 94-142 would drastically reduce the amount of per pupil allocation that would be received by mental retardation facilities for project year 1977-1978. The projected per pupil allocation for next year would be \$649.00 for 89-313 as opposed to \$30.00 per pupil allocation as figured under Public Law 94-142 for 1978. Such a significant reduction in funding would cause considerable harm to the educational services now provided to eligible children under 89-313." (Dan Payne, Ph.D., Assistant Commissioner for Mental Retardation, Virginia Department of Mental Health and Mental Retardation)

"This may be one of the better alternative, in that the dichotomy between institutional programs and public school programs would be minimized. Since the SEA already administers both programs, it seems logical to have single legislation to cover all handicapped. However, it is important to consider that such a combination might cause a reduction in funding levels for P.L. 89-313. Currently, P.L. 89-313 generates about \$450 per child whereas P.L. 94-142 is expected to provide much less." (Francis P. Keller, Director, Florida Retardation Program Office)

- B. Current Operating Problems. Respondents were asked to identify problems surrounding the current operation of the 89-313 program and whether these difficulties were attributable to provisions of the statute, implementing regulations, state jurisdictional boundaries etc. While a variety of problems were pointed out, the overall impression one received was that the respondents viewed these problems as administrative impediments to the smooth functioning of the program rather than fundamental structural weaknesses in the legislation or its underlying philosophy.

The two most frequently cited problems were the operation of the so-called deinstitutionalization authority and several concerns which could be loosely categorized as inefficient or ineffective federal management. Comments concerning the deinstitutionalization authority will be summarized in the next section of this report (see II-C below).

Four respondents cited the delay in issuance of final, revised regulations to implement 1974 amendments to the statutory authority for the program as a major administrative impediment to progress. Francis P. Kelley, Director of the Florida Retardation Program Office, summarized the views of these states when he said:

"One of the major problems in the operation of P.L. 89-313 stems from the fact that there are no final rules and regulations from HEW. One of the proposed rules changes (116 b.87), which states that parents may not be charged for any services including room and board, conflicts with SS.394.457(7) and 393.09, Florida Statutes, which allow for maintenance of clients' charges."

A closely related problem referred to by two states is the lack of flexibility in current operating policies and procedures. As one respondent put it.

"In attempting to follow the State Department of Education interpretation of the use of 313 funds . . . many basic education programs have not been started, and some creative programs have had to be delayed because regulations were lacking. The opportunity to offer direct instructional services to several facilities now eligible for 313 funds has been curtailed by the inflexible interpretation of the supplemental services definition." (Dan Payne, Ph.D., Assistant Commissioner for Mental Retardation, Virginia Department of Mental Health and Mental Retardation)

Three states also referred to the protracted delays in issuance of federal grant award notices as a source of difficulty in maintaining program continuity and encouraging innovation. "The only problem we have had", one respondent remarked, "concerns the Bureau for the Education of the Handicapped's delay in getting funds to the State Agency. Although Congress has authorized advance funding, there has been a consistent delay in B.E.H. getting the letter of credit to the state before July 1. State agencies which do not have reserve funds must delay starting the project until the funds are received." (James E. Craft, M.D., Deputy Commissioner for Mental Retardation Services, Texas Department of Mental Health and Mental Retardation)

Other problems alluded to by the respondents included: (a) the current restrictions on the use of the individuals served in 89-313 programs (3); (b) the lack of clarity concerning the role of the SEA and the state agency responsible for operating federally funded programs (3); (c) the lack of administrative funds (2); (d) the rigid interpretations concerning targeting programs on children included in the 89-313 count (2); and (e) the difficulty in assuring that children are not "double counted" under 313 and 142(2).

The following excerpts typify the comments on the above topics received from the respondents:

"A problem that is attributable to the law, and one that is becoming progressively more serious, is in relation to the fact that education for a severely or profoundly retarded person can-

not stop when he or she becomes 21 years of age, as does the funding under 89-113." (Gareth D. Thorne, Commissioner, Connecticut Department of Mental Retardation)

"Currently, though there is not a lower age limit in the Special Education law of the State and the Raines decree refers to all children, 313 programs only permit, as countable for funding, children age 5 through twenty. This hampers provision of supplemental services to children who are in an early education program. It would be our recommendation that 313 funds provide for supplemental services to handicapped children in approvable projects as opposed to age level and permit the count of these children in order to generate funding, when enrolled in an approved educational program." (Charles L. Leight, Assistant Director for Administration, Maryland Mental Retardation Administration)

"[T]he primary problems that exist in our state are attributable to the state administrative jurisdiction that exists . . . [T]here is too much autonomy being given to the state agency without some form of appeal process that the participating agencies can utilize in the event that they are not in complete accord with the interpretations or decisions that are rendered."

"For example, we currently are not in accord with some interpretations being applied. We have placed calls and submitted correspondence to Washington regarding these concerns and at this date, after a period of eight months, have had no response to our correspondence . . ." (Gerald E. Dymond, Bureau of Developmental Disabilities, Wisconsin Division of Mental Hygiene)

". . . [W]e should again be allowed to 'concentrate on the needs of a limited number of children'. Targeting or focusing on selected groups of few has greater impact than a generalized effort to serve all equally." (Maurice A. Harmon, Director, Washington Bureau of Developmental Disabilities)

"As you are aware, children counted under 89-113 may not be included in the count for P.L. 94-142; therefore confusion centered around 'who may count whom for what' will most likely become problematic." (Tony Hannah, Education Program Specialist, Mental Retardation Section, North Carolina Division of Mental Health Services)

- C. Deinstitutionalization Authority. The respondents were asked how well the provision of the 1974 amendments, which permits 313 funds to be passed through to LEA's on behalf of deinstitutionalized children, has worked in their states.

Most of the respondents (11) agreed that the so-called deinstitutionalization authority has had little or no impact on getting inappropriately

placed children out of large residential care facilities and many felt that the administrative headaches involved far outweighed an, theoretical advantages of retaining this provision as part of the statute. Some state officials also alluded to the funding trade-off which occurs when 313 monies are transferred to LEA's - i.e., reduced services to children in 313 programs - and questioned the social utility of such a policy in view of the federal/state/local funding base currently available to handicapped children served in local public schools.

The following are a representative sample of the comments received on this subject:

"The State Department of Education subtracts money from the allocation given to the Department of Mental Retardation each year to cover the expense of those former residents who have moved on to public school. Although 72 children left our programs during the period October 1975 - September 1976 to enter L.E.A.'s, this transition was made possible because of the progress the children achieved in their institution classes, and not because of the provision for pass through of funds." (Gareth D. Thorne, Commissioner, Connecticut Department of Mental Retardation)

"The provision which allows P.L. 89-313 funds to pass through LEA's providing education to former residents of state institutions does not work in Louisiana. While there are 16 projects serving some 250 children in LEA programs, not one child has been deinstitutionalized as a result of this provision. The vast majority of these children are transfers from Day Developmental Training Centers (a state supported program)."

"Most children become transfers to LEA programs through administrative change required by state law which mandates the LEA's provide educational service for handicapped children. Many times the child, already in the least restrictive environment, remains in the same program, in the same building with the same teacher. While this is in keeping with the law, it is clearly not deinstitutionalization. This provision should be explicitly eliminated from P.L. 89-313." (Otto P. Estes, Assistant Secretary, Office of Mental Retardation, Louisiana Health and Human Resources Administration)

"This is a poor mechanism at best, particularly in the light of program planning. We could not say that children have been deinstitutionalized because of this mechanism. Again, turfdom which does not affect our regionalized institutions is a problem regarding education for children in a LEA. Also attendance in a day public school program is not deinstitutionalization."

"Institutional schools are unique and in Maryland have a plethora of knowledge in programming for these multi handicapped children. Though our major priority is deinstitutionalization, we have a deep concern that the children be appropriately placed and that

the programs initiated by the LEA operates for a sufficient number of days so that institutional care requests will not increase. Through the supplemental programs such as 313, institutional schools operate on a twelve month cycle." (Charles E. Leight, Assistant Director for Administration, Maryland Mental Retardation Administration)

"The pass-through of funds through LEA, to my knowledge, is only one year old in this state; last year seven children were able to claim that money and I understand that less than half of the districts, in fact, claimed it. This year, there were approximately 35 eligible children. We are not aware that this minor amount of money has any effect whatsoever on whether a child will or will not be deinstitutionalized. That question is more likely to be answered, not by the school district's ability to provide appropriate programs, but by there being appropriate living conditions outside the institution." (David A. Isom, Assistant Administrator, Oregon Mental Health Division)

"There is one change we would like to see made in the 89-313 Act. It concerns the 'Money Following the Child Provision' (Section 121d). In our state it has been almost impossible to implement this provision of the Act for the following reasons:

- (a) After a child leaves one of our institutions it is very difficult to maintain a continuous follow-up. We can not verify if the child is entered in an appropriate Special Education Program. We are presently trying to solve this problem but no solution is in sight because of confidentiality and other privacy rights requirements that we must adhere to.
- (b) Unless a school district has a large number of former 89-313 students, it is not administratively or economically feasible to go through the application and report requirements for such a small amount of funds. We have found a large majority of the funds that were set aside are not applied for.
- (c) There is no limitation on how long a former student remains eligible for 89-313 after they leave our institutions.

It is our recommendation that this provision should be dropped from the Act." (James E. Craft, Ed.D., Deputy Commissioner for Mental Retardation, Texas Department of Mental Health and Mental Retardation)

"The minimum amount (\$199.38) of money that flows to LEA's under 313 has not proven significant in Virginia to create a mass deinstitutionalization movement on the part of LEA's that would

receive 313 monies if children were returned to them. Also, the primary reason in Virginia for institutionalization in mental retardation facilities does not center around the fact that children require an educational program, but it involves a multiplicity of factors that encompasses the total child." (Dan Payne, Ph.D., Assistant Commissioner for Mental Retardation, Virginia Department of Mental Health and Mental Retardation)

"[T]he provision has not worked within our state and I feel the federal government is probably about two to three years behind in determining how much money should be withheld to go back into the LEA's. Here in Wisconsin the majority of our youngsters within our state residential facilities for the developmentally disabled are at the severe and profound level; therefore, not as many will be returning as have in the past nor as rapidly, yet the amount of money that is being retained for this purpose to follow the youngster into the LEA is still at an unusually high level. In Wisconsin it has been \$400,000.00. I really think this is an exorbitant amount and needs to be adjusted downward to accommodate the changing population and to recognize the fact that there are not going to be as many youngsters returning to the community as rapidly as they have been in the past."

"How many children have been deinstitutionalized as a result of this; I really cannot say that P.L. 89-313 funds is the basic cause of children being returned to the community. I think it is a variety of variables occurring that enable us to move along in this concept of deinstitutionalization . . . I think it is . . . the attitude of the community and the state of the art at this particular point in time that enables communities to gear up and provide programs and services for these youngsters upon their return to the community. I think another major factor is the development of the group home or foster home concept that enables movement of youngsters from the state residential facilities into these kinds of facilities within a community that has moved ahead in developing services to accommodate youngsters. Nevertheless, through the availability of these funds the kind of programming introduced has certainly contributed to the overall development of these youngsters so that they can participate in a group home setting. It is one part of a total treatment package that exists within state residential facilities that enables the youngsters to return to the community." (Gerald E. Dymond, Director, Bureau of Mental Retardation, Wisconsin Division of Mental Hygiene)

- D. Use of 313 Funds. A series of questions were raised about the use of 313 funds and other alternative sources for supporting educational programs in state operated and supported schools.

Asked whether current state appropriations cover all educational costs of children in state supported institutions, most respondents (8) answered affirmatively. However, when the responses are examined more closely one finds that almost all of the respondents, whether responding negatively or positively to the question, were saying roughly the

same thing: the state covers only the basic costs of educational services and, given the needs of these severely handicapped children, the supplemental services financed through 89-313 funds are absolutely essential. In other words, the way the question was phrased, did not lend itself to a simple "yes" or "no" answer. This point is illustrated in the following two excerpts:

"A basic educational program is provided by the State in state supported institutions. The definition of "all educational expenses" is a question of interpretation. I included in this statement is medical and paraprofessional support services e.g., speech, physical and occupational therapy, psychological services, remedial teachers, etc., to the full extent necessary by the child's prescriptive needs, we would have to answer negatively. The state supports a basic education program in the institution. Supplemental grants provide other services." (Charles L. Leight, Assistant Director for Administration, Maryland Mental Retardation Administration)

"Definitely not. They cover basic educational expenses but . . . one must recognize with the recent enactment of the mandatory special education law, which is only three years old, we have been put in a position of not being able to meet the needs of the youngsters in appropriate programs in every instance." (Gerald E. Dymond, Director, Bureau of Mental Retardation, Wisconsin Division of Mental Hygiene)

Most of the respondents (14) indicated that the preponderance of 313 funds are being used to provide direct services to mentally retarded children. However, here again, it was evident from the tenor of the replies that the respondents were using different operational definitions of the terms "direct" and "indirect" services. As a result, some of the illustrations cited by those who reported that a significant portion of their state's 313 allocations were being used for "indirect" services were almost identical to those given by respondents who said their state was using the funds for "direct" services. In reality, it appeared that most of the states were using 313 funds for services to children which would be best classified as supplementary to the child's basic educational program.

Those respondents who felt able to answer the question agree that other state agencies which they were familiar with were using their portion of the state's 313 allocation in roughly the same manner as the state MR agency. About forty percent of the respondents, however, indicated that they were not sufficiently conversant with the activities of other state 313 agencies to respond to the question.

The respondents were unanimous in reporting that 313 funds were being used to supplement and not supplant other state and local sources of funding for educational services to children in 313-supported programs. All of the respondents who replied to the question also indicated that federal funds are maintained in a separate account so they can be readily audited. "As the legislature authorizes increasing state general funds," one respondent said, "the state general funds are used to replace the

313 funds, which are then reallocated to new programs or to increase the services to existing programs."

In general, the respondents also agreed that 89-313 funds in their states are being targeted on the children included in the 313 count. However, a few state officials noted that it becomes impractical to apply this rule too rigidly in instances where new children are admitted to programs or programs serving 313 children fail to apply for grant support (but, nonetheless, are providing appropriate educational services to enrolled children). For example, one state official noted:

"In all honesty we must say individuals who have been counted may not be receiving the benefit of P.L. 89-313 funds. The reason this has occurred is that the agency who submitted an ADA count for any one of several reasons may have decided not to submit an application for the use of these funds. Therefore, we do find ourselves in this kind of position. Nevertheless, those individuals, if they were counted and are not receiving benefits from any P.L. 89-313 funds at this particular time, are being provided programs in the day service agency or have been transferred to the LEA and are receiving an appropriate educational program. In essence, although the intent and the direction is to use the money for children who generate it, there are instances where this is impractical and by the same token should not be a hindrance to other eligible children in eligible programs to utilize the funds." (Gerald E. Dymond, Director, Bureau of Mental Retardation, Wisconsin Division of Mental Hygiene)

In response to the request for specific examples of how 313 funds were being used, the respondent sent in a variety of illustrations - some of which were general illustrations of the types of projects funded and others of a more specific nature. It is beyond the scope of this report to attempt to summarize or categorize the nature of the responses. Suffice it to say that the examples provided tend to illustrate the wide range and diversity of educational services being funded under 313 and the basic supplemental thrust of the program.

III. Conclusions

The following general conclusions can be drawn from the above analysis of the survey responses:

- o Handicapped children in state operated and supported schools have derived tremendous benefits from the Title I ESEA program since it was initially authorized by Congress in 1955. In many cases the severely retarded and multiply handicapped youngsters who are benefiting from the program were previously denied access to any education and training services. Instead, they were left to waste away their lives at home or in the back wards of large, sterile state institutions. In many state-run facilities, Title I aid has been the single most important impetus to the initiation and expansion of educational programs for severely handicapped youngsters.

- o Continuation of a separate, identifiable program of federal assistance on behalf of children in state supported facilities is absolutely essential - at least for the foreseeable future. Despite the passage of P.L. 94-142, with its strong emphasis on a zero reject educational system, the quality and scope of programs for children in most state operated and supported facilities would suffer if Title I benefits were folded into Part B of the Education of the Handicapped Act at this point in history. This conclusion is clearly documented in responses to NACSPMR's recent survey. The most frequently cited reason for anticipating a decline in federal support was the likelihood that SEA's and LEA's, under a consolidated program, would sharply reduce the current level of federal aid flowing to state supported schools - especially in view of the wide discrepancy in per capita aid levels under the Title I and Part B programs. One also wonders whether Congress would be willing to approve the same level of funding for a consolidated program as it would for separate programs - particularly considering the sharp increases contemplated in Part B funding. Finally, the fact that, in a majority of states, legal responsibility for providing educational services to children in state schools still rest with an agency or agencies other than the education department suggest that consolidation might further complicate interagency relationships at the state and local level when they already are undergoing severe strain.
- o There is a need to improve the legislative and administrative interface between Part B and Title I programs. Among the specific issues referred to by the respondents to the recent NACSPMR survey are: (a) differentiating between the Title I and Part B counts of eligible children; and (b) identifying the circumstances under which parents can be held financially liable for the non-educational costs (i.e., room, board and medical and related care) of Title I eligible youngsters. Another issue which must be considered is fixing responsibility for case management and service delivery on behalf of multi-handicapped youngsters residing in Medicaid-eligible long term care facilities (were both an individualized education plan and an individualized habilitation plan must be prepared on the child).
- o The "deinstitutionalization" incentive, built into the 1974 amendments to Title I, needs to be either eliminated or sharply modified. As indicated above, many of the survey respondents indicated that the 1974 provision has had little or no impact on the placement activities of public institutions. Indeed, because of the Title I hold harmless language adopted by Congress that same year, the deinstitutionalization incentive has resulted in resources being drained away from state-run facilities to reimburse local school districts. Obviously, this process of "robbing Peter to pay Paul" does little to accomplish our overall goal of assuring that all handicapped children receive the appropriate educational services they need at the earliest possible date.

Robert M. Gettings
National Association of
Coordinators of State
Programs for the Mentally
Retarded, Inc.

April 22, 1977

ATTACHMENT A

Congress of the United States
House of Representatives
Washington, D.C. 20515

January 21, 1977

Dear :

As you know the Congress will be considering the extension of the Elementary and Secondary Education Act this year. It is intended that a thorough review will be given to all programs dealing with education of the handicapped. It is in this regard that I am writing to you with the hope that you can share your unique insights as the Congress considers what actions to take.

In the near future it is anticipated hearings will begin on the extension of ESEA, the 89-313 provisions of Title I, the Education of the Handicapped Act, and possibly PL 94-142. At this time there are no hard and fast proposals about what to do with any of these authorities, but many questions are being asked. I know how busy you are at this time, but if you and your staff could address the following questions it would be extremely helpful.

I want to assure you that your answers will have wide circulation as they will be shared with House Education and Labor and Senate Labor and Public Welfare Committee Members from both parties, as well as their staffs. This will be done to guarantee that your responses will be widely read.

The questions are as follows:

89-313

1. Should the 89-313 program continue exactly as it is? If your answer is yes, could you explain specifically why? If no, what needs to be changed and why?
2. What would happen in your state if the 313 provisions were repealed and total funding ceased?
3. What would happen in your state if the 313 money and legislative authority were combined with PL 94-142?

4. What problems exist in your state in the present 313 program? Are they attributable to the law, the regulations, state administrative jurisdictions, etc?
5. Do state appropriated dollars presently cover all educational expenses of children in all state supported institutions?
6. How have 313 funds been primarily used in your state? Are they generally used for direct or indirect services?
7. If more than one state agency receives 313 money, does the use of funds differ between the various agencies?
8. Are the 313 dollars spent on the children who generate the dollars? Are there any who are counted not receiving any 313 funds?
9. Does 313 supplement and/or supplant state money? Is it combined with state dollars or kept in a separate account?
10. Does the provision which allows 313 funds to pass through to the LEA's providing education to former residents of state institutions work in your state? How many children have been de-institutionalized as a result of it?
11. Could you give some examples of how 313 money is spent, the types of programs, supplies and/or services that are purchased?

94-142

As you know, many concerns have been raised about PL 94-142; the law itself, the regulations, and its conflicts with some existing state laws. Could you detail any special problems you have in your state and suggest how they can be remedied.

Education of the Handicapped Act

Title VI (ESEA) the Education of the Handicapped Act will also expire this year. The Congress also intends to thoroughly evaluate all of the programs authorized. As with 89-313, questions are being asked as to whether Parts C to E of EHA should be continued exactly as they are, be modified, consolidated or repealed. Please detail any special problems and/or benefits you have gained from any of the programs and indicate specifically why you feel they should be continued or repealed. Please detail the net effect of a total loss of federal money from any of these parts.

Through the years individuals in positions such as yours have complained that they do not have sufficient input into the process before decisions are made. This is an opportunity for you to have direct and early input which can help to shape decisions that will be made in the future.

I would like to take this opportunity to extend my deep-felt thanks to you for your assistance.

With every good wish, I am

Sincerely,

Martin L. LaVer
Senior Legislative Associate

MLL:sg

Please Send Response To:

Dr. Martin L. LaVer
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House Education and Labor Committee
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ATTACHMENT B

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Dr. COCKSHOTT. We appreciate this opportunity to appear before this Subcommittee to discuss the impact of the so-called 89-313 program, and legislative proposals to extend and amend the statutory authority for the program. For the most part our comments will be based on the findings of a survey of State mental retardation agencies conducted earlier this year by our Association at the request of the committee's staff.

A. Underlying rationale of the 313 program:

In 1965, Congress amended Title I of the Elementary and Secondary Education Act to authorize Federal financial assistance on behalf of children in State-operated and State supported schools for handicapped children. This amendment to Title I was enacted only months after the landmark Elementary and Secondary Education Act, which authorized the first broad-based authority for Federal aid to local public schools, was signed into law by President Johnson.

The rationale underlying P.L. 89-313 is that children in State institutions and other publicly financed education programs outside the local public schools should be entitled to Federal assistance paralleling general Title I aid. In addition, it is argued that the Federal Government has a special obligation to help institutionalized children who often are among the most educationally deprived youngsters in our Nation.

As administrators of educational programs for the majority of 313-eligible children, we can report that the 1965 amendments has done more to stimulate improvements in educational programs for children in institutions and other non-public school settings than any other development over the past decade. Prior to enactment of P.L. 89-313, most severely retarded and multi-handicapped children had no access to education and training services; instead, they were left to while away their lives at home or in the backyards of large dehumanizing State institutions. States expended little or no funds on educational services to handicapped children excluded from the public school system. Although much remains to be accomplished, this bleak picture has improved dramatically in recent years—largely as a result of the influx of 89-313 monies.

In many ways developments in the State of Indiana illustrate the innovative ways 313 funds are being utilized to expand educational services to multi-handicapped children.

All 313-funded activities in my state are designed to expand and enhance the delivery of direct services to handicapped children. During the past year a total of 2,844 children were served in 313-funded programs. Of this number 1,709 children were below the mandatory school age of six, while an additional 1,070 were between 18 and 21 years of age.

As you can see, the basic thrust of our efforts is to assure that developmentally disabled youngsters who are either too young or too old to qualify for educational services through the local public school receive an appropriate educational program. This emphasis on children of pre and post school age permits us to concentrate on youngsters who are still ineligible for services under Indiana's mandatory education law. A 1974 survey conducted by our Association indicated that this bimodal age distribution was evident in

many States even prior to the enactment of the Federal Education for All Handicapped Children's Act.

Digressing somewhat from the prepared text, I might say in Indiana we have tried to balance the idea of dollars for all, or targeting population, realizing that every handicapped child costs more to educate and therefore needs some additional supplement to provide that education, but also, if you spread it too thin, you are not going to really devise the innovative and generalizing kinds of programs we are trying to do.

This is, I think, one of the main thrusts of our system in Indiana in that we are trying to develop pilot kinds of programs that can then be generalized to other agencies.

For example, we have two programs currently going on to develop computer usage for education of very severely, profoundly retarded children.

One of these is in a community program and one of these is in our State institution, so we are trying to look at both sides of it and to see how we can best develop the kinds of programs that then can be used by other agencies, either under 313 funding or under local funding so that these handicapped children—and when I am talking about the severely handicapped, I am talking about the real receiver, the real profound kind of cases. And generally, when you get down into that level, you find more and more other concomitant handicapping situations. Multiple handicapped. Either mentally retarded—mentally retarded and deaf, or mentally retarded, deaf and blind. Many are non-ambulatory.

Some can be taught to walk. One program funded under 89-313 that we had in one of our institutions—in fact, I happened to be superintendent at that time, about three years ago, actually was a walking program, to help these children learn to walk. That sort of borders on the discussion, well, is it basic education or not? If a child is totally unable to walk or even to stand, it is very difficult to integrate him into a community LEA-sponsored educational service.

Other such kinds of programs we are trying to develop and we are splitting between the community programs that in fact are community programs sponsored by agencies such as the local association for retarded citizens. About 2500 of the children sponsored under 313 funds in Indiana are in those kinds of programs. Either preschool or post-school. This in no way duplicates any of the efforts of the local LEA agencies because our community programs do not offer the educational services for school-age children except possibly for summer programs when the schools are not functioning.

Roughly the other 20 percent are in our State institutions. So I think right there is indicated some of the progress that has been made, largely as a result of some of the extra programs sponsored under funding by 89-313 that have helped the deinstitutional program.

Most of your interest is in the community program.

We are sponsoring programs such as a homemakers program for parents of preschool children to help them to upgrade the environmental circumstances for their children. These are generally culturally handicapped families where the children really, even in addition to being retarded and probably otherwise multiply-

handicapped, really have an additional setback in that the family doesn't have the capability of even giving them the kind of environment that might enhance their already-limited capabilities.

We have another community program to try to deal with and ameliorate some of the handicapping conditions of emotionally disturbed mentally retarded youngsters. Here again, here is another handicapping condition that is already piled on top of the severely and profoundly retarded.

Under 313 funding, Indiana has helped to develop and disseminate, through the community agencies the Memphis system of education that otherwise wouldn't have been available to our community agencies. Additionally, there have been two published curricula developed under 313 funding for special programs for meeting special needs of the mentally retarded. Again, in our community agencies.

As I indicate, it is not really a matter of community or State institutions; it is a matter of the most severely and profoundly handicapped that we are addressing our 89-313 funds to and these are not duplicated. Either funding or responsibilities of the local LEA in Indiana, again through programs developed, sponsored by 89-313, have brought up many of our institutionalized children to the position where they can engage in not only programs sponsored and funded through the local LEA, but also even conducted outside. This year we will probably move to the point where all of our institutionalized children will be under an educational program funded and sponsored through LEA.

About 60 to 70 percent of those actually move out of the institution to some other setting to obtain this education and we feel that this is really the normalized kind of educational experience. Very few of our children from the community receive their educational experience in the same setting in which they live and sleep and eat. They move out of that setting and this is what we try to encourage for even our institutionalized children. Even the very severely handicapped. We feel that this not only gives them an opportunity for a better, more normal kind of educational experience, but has all of the other benefits that accompany and are concomitant with just moving out of the institution, moving into different environments, seeing different things, seeing different people, and becoming used to engaging in other kinds of situations.

I think this was probably one of the most debilitating, dehumanizing aspects of institutions in the past, that the children were kept within the same four walls, never moved out, really never saw anything different.

If they had access to a window, that was their outside world. Now we are trying to enhance that, to broaden it and I think the experience that we have had, even in our deinstitutionalization program where you see that the great majority, roughly 75 to 80 percent of the children funded under LEA are funded in the community programs.

Some years ago this was probably just the reverse. Probably 75 to 80 percent were in the state institutions and this has come about not only not only but certainly significantly encouraged and helped by 89-313 funding. I think that we in Indiana have certainly

appreciated and I think have well used the 89-313 funding and tend to illustrate the advantages that have come from such kinds of funding.

I will try to return somewhat to my text and rush through that. Some critics of the 313 program have suggested that the enactment of P.L. 94-142, with its strong emphasis on a zero reject education system, eliminates the need for a special program of Federal aid on behalf of handicapped youngsters in State-operated and supported schools. They contend that the "education for all" mandate contained in the law extends to all children—regardless of their educational setting—and, therefore, it is both confusing and inequitable to have a parallel system of support for children outside the local public schools.

As I have indicated, particularly in the community programs, these community programs which represent again roughly 75 to 80 percent of our 89-313 program are directed at children who would not otherwise be covered under the "Education for All Handicapped" in Indiana, so in no way does it duplicate or is it really a parallel system. It is a system where these children can be taught before they reach the normal school age of five and try to give them some of the same educational advantages that are enjoyed by the normal children who at five go into the educational system reasonably well prepared by their environment and their learning experiences at home. These children—not that they haven't had the learning experiences, but don't have the mental capacity to be taking advantage of them as our normal children have, so something additional, I think, must be directed at them and certainly all of our past research has supported the idea of reaching them as quickly as possible.

Certainly even before the so-called pre-school age of three. I certainly support the idea of trying to reach them in the early intervention programs, right down to zero, because with the very severely, significantly handicapped, I think we are going to have to reach them at the earliest age possible, and to try to give them as enriched an educational program as we possibly can to give them the optimal opportunity to obtain whatever is their potential, however low that might be.

After reviewing all of the arguments and counter-arguments for either eliminating 89-313 benefits entirely or folding them into Part B of the Education of the Handicapped Act, we are convinced that the quality and scope of educational services available to children in non-LEA settings would suffer if Congress were to enact such legislation. Therefore, NACSPMR strongly supports the continuation of a separate, identifiable program of Federal assistance on behalf of children in State-supported facilities for handicapped children—at least for the foreseeable future.

We mean the local community facilities supported by the State MRDD Programs. It isn't directed strictly at State institutions.

In reaching this conclusion, we were influenced by the following factors.

1. All of the factual and impressionistic data available leads us to conclude that the educational community has a long way to go—both logistically and technologically—before it is able to fulfill the

"education for all" mandate. Despite the priorities established in the Act, past history indicates that children who are the most severely handicapped, with the most atypical and costly educational needs, tend to be the least served in any educational or other human service system.

I certainly think everybody looking back at the past educational experiences, certainly even the need for an "Education for All Handicapped" law, supports that. Why would a law have to be passed if these children had been served adequately in the past? They haven't. Primarily because they are the most difficult to teach, probably the least desirable, least enjoyable to teach. A nice, bright-haired, blonde, blue-eyed little child smiling up at you and snapping the answers right back to you is very enjoyable. A possibly grotesque, very non-responding individual isn't very enjoyable to teach, and not only that, they are certainly the most costly to teach and I think this is why they have been the least served and probably would continue to be the least served if it weren't for some identifiable program to provide an education for them. Because we all certainly know that the local LEA are extremely hard-pressed and are becoming more and more hard-pressed all over the country, certainly in Indiana, to provide even the regular kind of education that they have been, and to expect them with those funding binds to extend this beyond those programs to cover more and more of the more costly is just, I think, wishful thinking, really. And particularly in Indiana we have, again, funding formulas and political pressures that work against extending these kinds of programs because they do become more costly to the local agencies, the local school systems that make it difficult.

Mr. LEFANTE. We appreciate your side comments other than what you have in your prepared text, but I notice it is seven minutes after 11:00 and the House will be going into session at twelve noon and we still have a couple of other witnesses we would like to hear from.

Dr. COCKSHOTT. I will quickly hurry on with the statement.

Mr. LEFANTE. Thank you, Doctor.

Dr. COCKSHOTT. The educational problems posed by handicapped children in 313-funded programs are, by anyone's definition, among the most difficult facing the field. For example, recent studies indicate that almost three-quarters of the residents in public institutions for the mentally retarded in the United States are classified as either severely or profoundly retarded—i.e., IQ of 25 or below, with substantial deficits in adaptive behavior.

This is a population which most educators have never worked with and, while there is encouraging evidence that such children, with proper assistance, can develop crucial life skills, traditional didactic approaches to education have proven almost meaningless.

Considering the massive problems involved in implementing the "education for all" mandate in the local public schools, this does not appear to be a propitious time to consolidate the 89-313 and Part B authorities.

2. Children in institutions and other non-LEA settings generally are not viewed as part of the State educational agency's responsibility and, therefore, we have no assurance that such youngsters will

receive comparable benefits under an integrated program. The differential in Federal per capita support levels under 313—from \$415 to \$623 annually—and Part B—\$70 annually—suggests that, under a combined program, aid to State-supported schools might decline sharply.

3. In a majority of States legal responsibility for furnishing educational services to children in State schools still rests with an agency or agencies other than the State education department. Even where responsibility for financing education on behalf of children in institutional and other non-LEA settings has been delegated to the State education agency, day-to-day operational authority generally rests with public institutional officials because of the need to integrate the child's educational services with other aspects of his or her overall habilitation plan.

The maintenance of such a child-centered focus is facilitated by the current system of targeted educational support through the 89-313 program.

Even if one were to accept the above points, it could be argued that simple equity and the need for a single, universal educational system necessitates a merger of the 89-313 and Part B programs.

For example, some observers have suggested that there is no statutory rationale for a higher per capita support level under Title I than under Part B.

We believe that a strong case can be made for differential support levels under the two programs, given the historical barriers to participation by severely handicapped children in the local school system and the lack of a local tax base to cover such services in most States.

However, even if one accepts the contention that equalization is a desirable goal, it seems foolhardy to try to achieve short-range equity at the expense of the severely and multi-handicapped youngsters currently participating in the 313 program.

Such an approach would ignore two important facts.

First, given the more extensive educational needs of the child population in non-LEA settings, and consequently higher average per capita costs, any attempt to achieve relative parity between the 89-313 and Part B programs, at this point in time, must be based on the percentage of costs, not actual dollar expenditures.

For example, on the average it costs approximately twice as much to educate the typical severely and profoundly retarded youngsters in institutions and day activity centers than it does to educate the average handicapped child in the local public schools. To apply a flat dollar limit on Federal aid to children in both settings clearly would be inequitable.

Second, the percentage of per capita support for the education of handicapped children under P.L. 94-142 is scheduled to escalate to 40 percent of average per pupil expenditures in public elementary and secondary schools by fiscal year 1982. That would be precisely the same level of support currently authorized under Title I for handicapped children's programs.

The real question then is: how should we achieve parity in Federal support—by penalizing children in non-LEA settings, or by gradually increasing the Federal support level for LEA programs. NACSPMR strongly supports the latter approach.

While the members of our Association firmly back the concept of a universal right to a free public education for all handicapped children, we don't feel that Congress should force the states into a common organizational approach to delivering such services.

In recent years some state legislatures have elected to transfer financial and/or operational responsibility for educating handicapped children in public institutions and other non-LEA settings to the SEA. Others have chosen to fix this responsibility with the state agency responsible for operating institutions and similar non-LEA programs where severely handicapped children are served.

The question really boils down to whether the delivery system should be organized around the child's diversified program needs or around a single service—education—needed by a broader group of youngsters.

It has to take into consideration the individualized need and specific needs of the severely handicapped.

To our knowledge there is no conclusive studies which show that one organizational approach works better than the other. Until such data is available, we believe that Congress should leave it to State legislatures to determine which approach best addresses the needs of handicapped children in its State.

We recognize the need for adequate monitoring. In fact, in Indiana we are developing separately an evaluation section that will cover these kinds of programs and give program monitoring and fiscal monitoring to develop the benefits of these programs.

One other reason for extending the provision of 89-313 to these more handicapped, particularly if we are talking about the post-school group these were the groups that were brought up in the past situations where they were not receiving much of any kind of an education and hardly even a base custodial care and I think if we are talking about equity it certainly means at some point we should try to remediate that type of deficiency.

Mr. Chairman, we want to thank you for hearing us out and trust consideration will be given to continuing this program at least until 94-142 can come up to the level of support of 89-313.

Mr. LEFANTE. Thank you. We will hold our questions until we hear the other gentlemen.

Mr. CAIN. I am Morrison Cain with the Governmental Affairs Division of the American Speech and Hearing Association, which is the National Scientific and Professional Society that represents the professions of speech pathology and audiology. With me today is Stan Dublinske, the Associate Director of our school program.

[The prepared statement follows:]



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AMERICAN SPEECH AND HEARING ASSOCIATION

STATEMENT OF THE
AMERICAN SPEECH AND HEARING ASSOCIATION
BEFORE THE HOUSE COMMITTEE ON EDUCATION AND LABOR,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION
ON REAUTHORIZATION OF
TITLE I PROGRAMS FOR THE
HANDICAPPED UNDER P.L. 89-313

October 4, 1977

Morrison Cain
Governmental Affairs Division

Stan Dublinske, Assistant Director
School Services Program

On behalf of the American Speech and Hearing Association, a national scientific and professional society representing the professions of speech-language pathology and audiology, we appreciate this opportunity to be heard on the reauthorization of Title I of the Elementary and Secondary Education Act (ESEA) to provide continued benefits to handicapped children in state-operated or state-supported schools under the authority of P.L. 89-313. Approximately 11,000 of the American Speech and Hearing Association's 27,000 member speech-language pathologists and audiologists are employed in elementary or secondary schools, including schools for the deaf, blind and mentally retarded.

In anticipation of Congressional and Department of Health, Education and Welfare consideration of Elementary and Secondary Education Act reauthorization, our Association sent a questionnaire prepared by Committee Staff to our members working directly with or in Title I-funded schools. These persons include speech and hearing consultants to state departments of education as well as speech-language pathologists and audiologists employed in state-supported schools for handicapped children. Their responses to the questionnaire clearly and unequivocally called for continuation of Title I support. In fact, several persons responding suggested that Title I funding should be increased so as to offset inflation and the law amended to allow seriously han-

dicapped persons over the age of 21 to receive services under P.L. 89-313.

The importance of continued funding of handicapped programs under Title I is apparent in the respondents' forecast of the effects which a funding cut-off would have.

Results foreseen by those answering the questionnaire -- that is, from persons actually providing or supervising services to the communicatively handicapped in state-supported schools -- include the following:

(Florida) "...hundreds of handicapped children would cease to receive the education and training from which they are now benefiting."

(New Jersey) "... a 50 percent reduction in the educational services offered to institutionalized children."

(Puerto Rico) "...75 persons would be unemployed and thousands of children would be without services and proper education."

(Tennessee) "...funds are being used to help reduce teacher-pupil ratios, supplement materials and equipment available for instruction and provide pilot programs for our handicapped students.... All of these services would have to be reduced."

(Oregon) "Administrators at the Oregon State School for the Deaf have used these monies to provide audiological evaluations, auditory training, psychological services, in-service training for teachers and prescriptive education programs designed to help meet each individual child's needs. Should this funding be discontinued, these and other innovative programs would not be available to students."

The hard fact that must be faced is that there is no ready substitute for Title I funds for state-supported educational

programs for the handicapped. Public Law 94-142, the Education For All Handicapped Children Act, the landmark legislation which assures all children of a free and appropriate public education, has a significantly different emphasis from Title I authority for programs for the handicapped. P.L. 94-142 gives major emphasis to providing appropriate special education and related services to children in the least restrictive environment. Yet state-supported institutions are there precisely because many localities cannot provide the individualized instruction which some severely or multiply-handicapped children require. Despite a firm commitment to the concept of providing services in the least restrictive environment, we must recognize that some children will require the specialized services available only at state-supported schools. Since Title I funds help assure that those children receive the education they need, reducing or eliminating will hinder, not help, the education opportunities of handicapped children. In addition, questions have been raised about the adequacy of P.L. 94-142 funding levels to provide a free appropriate public education for children in public school special education programs, much less to children enrolled in the more expensive state-supported programs covered by P.L. 89-313. If the P.L. 94-142 funding formula is used for pupils enrolled in P.L. 89-313 programs, the amount of funds available to educate these severely handicapped pupils will be significantly reduced. As a result, it would seem greatly preferable to continue Title I assistance to the handicapped as a program separate from P.L. 94-142.

No doubt there are administrative adjustments or improvements that could be made at either or both the state or federal level to ensure the most efficient and beneficial use of Title I funds. Such changes should be made -- but without losing sight of the vital importance which Title I funds hold for those handicapped children who are best served by state-supported schools.

We appreciate this opportunity to be heard by the subcommittee on the reauthorization of Title I of the Elementary and Secondary Education Act to provide continued benefits to handicapped children in state-operated or state-supported schools under the authority of P.L. 89-313. Approximately 11,000 of the American Speech and Hearing Association's 27,000 member speech-language pathologists and audiologists are employed in elementary or secondary schools, including schools for the deaf, blind and mentally retarded.

Our association seems to have done something very similar to what Dr. Cockshott's organization did and to come out to fairly closely the same bottom line. In anticipation of the congressional and also the Department of Health, Education and Welfare's consideration of what to do about Title I, we surveyed our members who work in Title I-supported State schools and we also surveyed State speech and hearing consultants to Departments of Education. We asked them their thoughts on extension or modification of the Title I program and their results are fairly clear. They called for continued support of Title I. They called for continuation of Title I as a separate program. There were some modifications mentioned or suggested. For example, it was suggested that the program be amended so as to either more greatly offset the effects of inflation or to allow provision of services to seriously handicapped persons in institutions who are over the age of 12 and are eligible at present.

We think that the importance of continuing Title I to fund handicapped programs in State institutions is apparent in the responses that our questionnaire—which was prepared by committee staff—drew from these people who were in the field actually working in this area.

In my testimony at page two I have just indicated a short representative sampling of the effect that these people foresaw, if Title I funds were to be eliminated.

In Florida, they predicted that hundreds of handicapped children would cease to receive the education and training from which they are now benefiting.

The State of New Jersey predicted a 50 percent reduction in the educational services offered to institutionalized children.

There are similar comments from Puerto Rico, Tennessee, Oregon and a number of other states. The committee has hopes of these responses and we hope that you will consider them very seriously in considering modifications in Title I.

What we come down to I guess on the bottom line is the hard fact that we don't really see any readily available substitute for Title I funds. At least for state-operated programs for the handicapped. At least in our area of defense, and also to some extent blind and mentally retarded institutions.

P. L. 94-142 does have a different emphasis from 89-313. State-supported institutions are there because many localities don't have the resources, don't have the capabilities to provide the individualized instruction which the severely and multiply-handicapped children require. That is what the State institutions are there for, that is what they do. That is what many localities are incapable of doing.

Since Title I funds actually help assure these children in the institutions will receive the education they need, eliminating or reducing Title I funds is going to hinder, not promote educational opportunities for handicapped children.

As this committee is well aware, there are questions about the adequacy of 49-142 funds for doing what those funds are designed to do; what that program is designed to do. That is, provide a free, appropriate public education for children in the public school special education program. You can understand the reservations we have about trying to expand 94-142 to cover children in more expensive state-supported programs. If the 94-142 funding mechanism, for example—the funding formula is used, it will result in a significant reduction in the funds available and, of course, there won't be the earmarking available now under 89-313.

As a result and in summary, we think it is greatly preferable to continue Title I assistance to the handicapped as a program separate from 94-142.

We don't doubt there are administrative adjustments or refinements that this committee might be able to make to ensure the most beneficial and efficient use of Title I funds. We encourage you to make those changes, but to not lose sight of the vital importance that Title I funds hold for handicapped children who are best served if they support an institution.

One final remark I would like to make is that I have been asked to call to the subcommittee's attention a position paper from the Conference of Executives of American Schools for the Deaf, which I believe is in your record. They make basically the same points. They have expressed four concerns. They feel that 89-313 has done a good job over the past decade or so; that the Conference of Executives of American Schools for the Deaf have recognized that. They feel eliminating the program would have devastating effects on State schools. They feel that the combination of 89-313 and 94-142 would result in a diminution of needed services to students enrolled in State-operated schools and programs. Finally they believe that 89-313 ought to be continued as a separate, fully funded program.

Thank you very much. If you have any questions, we will try to deal with them as best we can.

Mr. KILDEE. I have no questions at this point, Mr. Chairman.

Mr. LEFANTE. Counsel?

Dr. LAVOR. Dr. Cockshott, in your testimony you said that you would like 89-313 continued as an identifiable program at least for the foreseeable future. Would you define what foreseeable future means?

Dr. COCKSHOTT. Yes, because currently 94-142 funding is significantly lower than current 89-313 funding. I would say that it should still be an identifiable program. Even if it is merged with 94-142, because, as I have indicated, currently and for the foreseeable future we are targeting on children and impacting on children that are not currently funded under the current educational system in Indiana.

How long that will continue, I don't know. Just because of the autonomy of the local school systems, local associations, there is very little real motivation for them to change, to move down to the three to 21 or the zero age. When that will happen, I don't know. I think those groups still have to be served.

Mr. GETTINGS. If one looks to the funding formula for 142 at the current time, the current projections are that by 1982 the base for funding will go up to 40 percent of average per pupil cost. At that point, of course, 40 percent of average per pupil cost is exactly the same basis upon which Title I funds are currently allocated. So the question to me is, if you are going to create equity between the two funding sources, the question is, how are you going to go back to creating this. That is the basic question you have to get to. I think that is what Dr. Martin was getting to too. Do you draw the one funding down to a level of 142 funding? That is, should 313 be brought down to where 142 is, or should 142 gradually be brought up as the Congress originally projected to the level where it will match 313?

There is one other thing to be said about the equity issue. It seems to me equity has to be based on relative cost. It is true that, relatively speaking, the cost of children in 313 programs is significantly high. When we try to make direct comparisons, it becomes difficult because we are dealing with a different kind of population on the average. For the average child in the 313 funded program, they are much more severely handicapped.

For example, in the State of New Jersey, the State of New Jersey has now established separate individual school districts for children under the jurisdiction of the Department of Human Services. Children in activity centers for severely and profoundly handicapped children next year will cost on the average the State of New Jersey to educate \$7100 when you include transportation costs. That can be compared with an average of roughly in the neighborhood of \$2500 for all handicapped children in the local public schools. So if one wants to create equity, one can't create equity on an actual dollar figure; you have to talk about relative percentage of cost being paid out of federal money, not actual dollars.

Dr. LAVOR. This gets to the relative cost question. As you know, 313 dollars are not used exclusively by the retarded but are used by the deaf and blind as well.

This is a universal question and not just a question before the retarded community. Exclusive of residential costs, if you have two children who are the same age who live on the same street, who have the identical disability, one goes to the local education agency and is in a self-contained classroom and the other is in a state institution in a self-contained classroom receiving an educational program, (1) what is the difference in the educational costs and (2) why should those educational costs vary?

Mr. GETTINGS. You and I have talked about this at length. I do not believe the actual cost will vary significantly from one setting to the other if you are talking about the same thing. The problem is that we usually end up comparing the proverbial apples and oranges when we go about doing that.

For example, we assume the costs are similar without recognizing the fact that most public school programs operate nine months a year and in the typical residential setting you have responsibilities 12 months of the year, but if you actually started to compare it on a dollar per dollar, service per service basis, and you provide the same kind of service, I am sure it would be quite comparable. Indeed, with the enactment of 142, it seems to me there is built into the system now—because we are going to be applying standards across the board to all educational settings, there is almost built into it the structure which is going to require similar costs in either setting.

I have to add though, I have to come back to something Dr. Cockshott said in his testimony that frequently, of course, we are not talking about the same child. We are talking about children that are in different age ranges or are differentially situated so that, for example, if you looked at—and the question has been raised, why are we taking so many children outside institutional settings? Why can't they be in LEA? Well, if you begin looking at state programs, what is happening is you have this distribution where the children being served are below the state's mandatory age or above the state's mandatory age.

Mr. LAVOR. Could you answer that with regard to blind and deaf individuals?

Mr. DUBLINSKE. It has been indicated a continuum of services should be available to people. Certainly one part of that continuum is a residential school placement of some kind. We are finding that in the LEAs certainly more and more of the students who were possibly misplaced are actually in the LEA program, but in the state-supported schools is where you will have the most severely involved.

Parents are concerned about the concept of putting the children back in the least-restricted regular classroom but not providing them with adequate support services and I think comparisons many times don't show the additional kinds of support services needed to meet the needs of the severely handicapped child.

Mr. DUBLINSKE. You have two deaf children, one in the State school for the deaf, and the other in a local agency.

Dr. LAVOR. Why should the costs vary, if you provide all the services to that deaf child necessary to educate him?

I don't think the basic education varies greatly.

Dr. LAVOR. Thank you, Mr. Chairman.

Mr. LE FANTE. Are there any further questions?

Mr. PRESSLER. I have a question here, apologizing for being late, having come from two other meetings, and I don't know how much the discussion has focused on Section 504's cost in some of the smaller states such as South Dakota, in terms of meeting some of those requirements and I am a co-sponsor of the bill with Congressman Jeffords, to have the Federal Government meet some of those

requirements. If that subject has been covered, the reaction to that bill, I will not address the question.

Mr. LE FANTE. It has not been addressed as yet.

Mr. PRESSLER. I would like some of the panel's reaction to the bill which would basically cause the Federal Government to finance a larger part of some of the expenses involved in meeting some of the requirements of Section 504.

Mr. CAIN. Representative Pressler, we support 504, we have lobbied somewhat for prompt issuance of regulations under 504. We think it is a necessary adjunct to many of the other advances and methods for assuring the civil rights of the handicapped and if increased funding is necessary for recipients for HEW money to comply with the demands of 504, I feel it only fair for the Federal Government to provide some assistance to those recipients. Now, the amounts and the timing and mechanism are something that ought to be studied. But, in principle, I think it an excellent idea. I don't think Title I and 504 necessarily conflict in any way. The state-supported schools will obviously have to comply with 504.

Mr. PRESSLER. Would we need an expansion with Title I—what impact would 504 have on Title I programs. Perhaps I am asking the question in a poor fashion.

Mr. GETTINGS. It is very difficult at this point to make that kind of prediction. Let me give you a specific example. Most of the cost estimates I have seen working out as to 504 deal with removing physical barriers which is a very great problem. The more subtle kinds of costs that might be involved in Title I are, for example, defining what is the least restrictive educational environment for a child which is something which is open to a good deal of interpretation, would involve, if it were strictly interpreted, to have very extensive costs in reorganizing, redeveloping educational programs across the State or could have very minimal impact depending on how one interprets the meaning of that fundamental, important, widely accepted principle, but still rationally, the principle is yet to be tested in the educational system.

Mr. PRESSLER. Thank you.

Mr. LE FANTE. Mr. Kildee.

Mr. KILDEE. I have no questions.

Mr. LE FANTE. Counsel, any questions?

Mr. JENNINGS. No.

Mr. LE FANTE. Thank you, gentlemen. We appreciate your testimony. I am sure it will be most helpful to us in making our final decisions.

The committee stands in adjournment until 9:30 tomorrow morning.

[Whereupon, at 11:35 p.m., the subcommittee was adjourned.]
[Appendix material follows:]

APPENDICES

OE/BEH/ASB

Appendix 1

Education Amendments of 1974 P.L. 93-380, Title I, ESEA

"Subpart 2—State Operated Programs

"PROGRAMS FOR HANDICAPPED CHILDREN

"Sec. 121. (a) A State agency which is directly responsible for providing free public education for handicapped children (including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education), shall be eligible to receive a grant under this section for any fiscal year.

"(b) Except as provided in sections 124 and 125, the grant which an agency (other than the agency for Puerto Rico) shall be eligible to receive under this section shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (1) in the case where the average per pupil expenditure in the State is less than 80

per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (2) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States), multiplied by the number of such children in average daily attendance, as determined by the Commissioner, at schools for handicapped children operated or supported by the State agency, including schools providing special education for handicapped children under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available. The grant which Puerto Rico shall be eligible to receive under this section shall be the amount arrived at by multiplying the number of children in Puerto Rico counted as provided in the preceding sentence by 40 per centum of (1) the average per pupil expenditure in Puerto Rico or (2) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States.

"(c) A State agency shall use the payments made under this section only for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of such children, and the State agency shall provide assurance that the Commissioner that each such child in average daily attendance counted under subsection (b) will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made.

"(d) In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in subsection (c).

"RESERVATION OF FUNDS FOR TERRITORIES

"Sec. 124. There is authorized to be appropriated for each fiscal year for purposes of each of sections 121, 122, and 123, an amount equal to not more than 1 per centum of the amount appropriated for such year for such sections for payments to Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands under each such section. The amounts appropriated for each such section shall be allotted among Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective need for such grants, based on such criteria as the Commissioner determines will best carry out the purposes of this title.

BE 5174, 462

Grants, use
limitation.

Appropriation,
70 USC 2410-46
Antia, 95-491,
492,
500-70.

*MINIMUM PAYMENTS FOR STATE OPERATED PROGRAMS

20 USC 241a-5. "Sec. 125. Except as provided in section 843 of the Education
 Part, p. 611. Amendments of 1974, no State agency shall receive in any fiscal year
 492, 494. prior to July 1, 1978, pursuant to sections 121, 122, or 123 an amount
 which is less than 100 per centum of the amount which that State
 agency received in the prior fiscal year pursuant to such sections 121,
 122, or 123, respectively."

94 Stat. 126. (3) Section 121 of such title I and all references thereto are redesignated as section 126.

20 USC 241a. 94 Stat. 127.

20 USC 241a-11.

TUESDAY, APRIL 13, 1976



PART II:

DEPARTMENT OF
HEALTH,
EDUCATION,
AND WELFARE

Office of Education



STATE OPERATED
PROGRAMS FOR
HANDICAPPED CHILDREN

Notice of Proposed Rulemaking

federal register

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PROPOSED RULES

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFAREOffice of Education
[45 CFR Part 116b]STATE OPERATED PROGRAMS FOR
HANDICAPPED CHILDREN
Notice of Proposed Rulemaking

In accordance with section 503 of the Education Amendments of 1972 (Pub. L. 92-318) and pursuant to the authority contained in section 121 of Title I of the Elementary and Secondary Education Act, as amended, the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, proposes to amend Title 45 of the Code of Federal Regulations by adding a new Part 116b to read as set forth below.

At present there are no separate guidelines relating to Part 116b. If guidelines are issued in the future, they will be limited to material in the nature of suggestions or recommended courses of action for meeting the mandatory requirements set forth in the statute and regulations.

These proposed regulations reflect amendments to section 121 of Title I, ESEA, made by the Education Amendments of 1974 (Pub. L. 93-380, enacted August 21, 1974).

1. *Program purpose.* Under section 121 of Title I of the Elementary and Secondary Education Act, as amended (originally added to Title I as section 303(a)(5) by Pub. L. 92-318), financial assistance is provided to State agencies for programs to meet the special educational needs of handicapped children in State-operated or State-supported schools. In addition, under subsection (d) of section 121, funds may now be made available by these State agencies to local educational agencies, under certain conditions, for handicapped children who have transferred there from State agency programs.

2. *Section 303 procedures and effect.* Section 303 of the Education Amendments of 1972 requires the Commissioner to study all rules, regulations, guidelines, or other published interpretations or orders issued by him or by the Secretary after June 30, 1965, in connection with, or affecting, the administration of office of Education programs. In report to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives concerning the study, and to publish in the *Federal Register* these rules, regulations, guidelines, interpretations, and orders, with an opportunity for public hearing on the matters so published. The regulations proposed below reflect the results of this study as it pertains to the programs under section 121 of Title I of the Elementary and Secondary Education Act, as amended. Upon publication of revised Part 116b in final form, and after comments and hearings, all preceding rules, regulations, guidelines,

and other published interpretations and orders issued in connection with or affecting the program, except the Office of Education General Provisions Regulations and the general Title I regulations in Part 116, will be superseded. For example, all Information Bulletins issued by the Office of Education with respect to this program prior to that date, to the extent they contain this material, will be superseded.

3. *Effect of Office of Education General Provisions Regulations.* General fiscal and administrative rules for the program are covered under the overall Office of Education General Provisions Regulations, set forth in 45 CFR Parts 100-100c, which were adopted in connection with the same study under section 503 of the Education Amendments of 1972 of which this publication is a part. (Reference is made in particular to the provisions of Parts 100b and 100c of Title 45 CFR containing general provisions for State administered programs, which are applicable to the programs under Title I of the Elementary and Secondary Education Act, as amended.)

4. *Reorganization of Part 116.* In the past, this program has not had regulations separate from those in Part 116. Under the proposed reorganization, Part 116 (as published in proposed form on March 11, 1975, 40 FR 11471), will be limited to those provisions that are applicable to all recipients, including State educational agencies in their administrative capacities, under Title I of the Act. Part 116a will provide the regulations which are applicable solely to the local educational agency program for educationally deprived children. Part 116b will provide the regulations which are applicable solely to the program for handicapped children under section 121. Part 116c will govern the migrant program under section 122 and Part 116d will govern the program for neglected or delinquent children under section 123.

5. *Amendments made by Pub. L. 93-380.* (a) *General.* The proposed regulations set forth below reflect and implement amendments made to section 121 of Title I of the Elementary and Secondary Education Act by Pub. L. 93-380, the Education Amendments of 1974. In particular, the regulations include changes relating to:

(1) Allocation of funds; (2) Transfer of funds to local educational agencies for handicapped children formerly educated in average daily attendance in State agency schools and who subsequently participate in appropriately designed educational programs operated or supported by local educational agencies; and (3) Distribution of funds.

(b) *Determination of grants.* Under the amendments made by Pub. L. 93-380, the amount of the grant which State agencies and which the agency for Puerto Rico are eligible to receive for a fiscal year is determined as provided in sections 121(b) and 125 of the Act. If the amount so computed for any State agency during fiscal years 1976 or 1977 is less than the amount that agency received during the

prior fiscal year, the grant which that agency receives must equal the amount received in the prior fiscal year. The maximum payments for Puerto Rico for fiscal years 1976, 1977, and 1978 are provided for in section 653(d) of Pub. L. 93-380.

6. *Relationship to Part B of the Education of the Handicapped Act.* All handicapped children should receive appropriate instruction and services wherever they may be enrolled—in State, local, or private facilities. Since the programs under section 121 and under Part B of the Education of the Handicapped Act are designed to benefit children and not schools, every handicapped child within a State should be eligible to receive benefits through a project support under either section 121 or Part B of the Education of the Handicapped Act.

Programs and projects funded under Part B of the Education of the Handicapped Act cannot provide services for children eligible to be counted in average daily attendance under the Part 116b program.

7. *Citations of legal authority.* As required by section 431(a) of the General Education Provisions Act (20 U.S.C. 1232 (a)(1) and section 503 of the Education Amendments of 1972, a citation of statutory or other legal authority for each section of the regulations has been placed in parentheses on the line following the text of the section.

On occasion, a citation appears at the end of a subdivision of the section. In that case the citation applies to all that appears in that section between the citation and the text preceding citation. When the citation appears only at the end of the section, it applies to the entire section.

8. *Opportunity for public hearing.* Pursuant to section 303(c) of the Education Amendments of 1972, the Commissioner will provide interested parties an opportunity for a public hearing on these regulations as follows:

A hearing will take place at the U.S. Office of Education on May 12, 1976 in the auditorium of Regional Office Building Three (ROB-3) located at 7th and D Streets, S.W., Washington, D.C. beginning at 10 a.m. The purpose of the hearing is to receive comments and suggestions on the published materials.

Parties interested in attending the hearing should notify the Office of Education, 400 Maryland Avenue, S.W., Room 2045, Washington, D.C. 20002, Attention: Chairman, Office of Education Task Force on section 303, and are urged to submit a written copy of their comments with this notification. Each party planning to make oral comments at the hearing is urged to limit his presentation to a maximum of fifteen minutes.

Written comments and recommendations may also be sent to the above address. All relevant material received prior to the date of the hearing will be considered. Comments and suggestions submitted in writing will be available for review in the above office between the

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(5) Provide an assessment and description of the needs of those children for special educational services based on the best available data, including data on their past educational performance;

(6) Describe each educational service to be provided to meet the needs assessed and described under paragraph (b)(5) of this section;

(7) Describe any program training for the school staff and for the parents of those children;

(8) Describe the procedures which will be used to evaluate the effectiveness of the program;

(9) Describe the nature and extent of any proposed coordination with other Federal, State, or local agencies, or related programs, in the development, operation, and administration of the program assisted under this part; and

(10) Provide for educational services and training for parents of those children, to the extent that parental understanding of the services being provided to their children could contribute to the effectiveness of the program.

(20 U.S.C. 1412-2 (b)(1)-(10))

§ 116b.29. Parental participation in the development of the application.

Each State agency shall provide parents or guardians of the children to be served under this part with an opportunity to participate in the development of the application.

(20 U.S.C. 1412-2(b)(11))

§ 116b.30. Reporting by State agency of children transferring to a local educational agency program.

(a) Each State agency which receives assistance under this part shall, no later than June 30 of each year, submit a report to the State educational agency of all handicapped children who—

(1) Were counted in average daily attendance under § 116b.50(a) or (b) during the school year 1971-1972 or subsequent years; and

(2) Will State no longer be in a special educational program operated or supported by that agency in order to participate in a normal educational program operated or supported by a local educational agency.

(b) The report shall include the name of each child, a description of each child's transfer to a local educational agency, and the name of the local educational agency to which the child will transfer.

(20 U.S.C. 1412-9)

Subpart D.—State Educational Agency Participation

§ 116b.41. Transfer of funds to local educational agencies.

The State agency shall transfer to the local educational agency the funds which are attributable to eligible children enrolled in programs under this part. The transfer shall be made on the basis of the number of eligible children who are enrolled.

(20 U.S.C. 1412-10(a))

§ 116b.42. Use of funds.

(a) Funds provided under this part by a local educational agency shall be used

by that agency to supplement the special education program in order to provide an appropriately designed education for eligible children enrolled in that agency.

(b) The local educational agency may enter into contracts with others, including the State educational agency, subject to Subpart E of Part 100 of this chapter, for carrying out activities under this subpart. Provided, That these activities shall be administered by or under the supervision of the local educational agency.

(20 U.S.C. 1412-10(b))

§ 116b.43. Funds attributable to children who leave the local educational agency.

(a) If an eligible child ceases to be enrolled in a local educational agency, the agency may use the funds attributable to that child for the education of other eligible children.

(b) If all eligible children cease to be enrolled in a local educational agency, the agency shall return any unobligated funds to the State agency.

(c) If funds were provided by more than one State agency, they shall be divided among those State agencies in proportion to the amounts provided by those agencies.

(d) The amount of unobligated funds shall be determined as of the date on which the last eligible child ceases to be enrolled in the local educational agency.

(20 U.S.C. 1412-10(c)-(d))

§ 116b.44. Funds not needed for a local educational agency.

If a local educational agency finds that it does not need or is unable to use all of the funds provided to it under this part, it shall return any such funds to the State agency. If the funds were provided by more than one State agency, the proportion in § 116b.43(d)-(e) shall be followed.

(20 U.S.C. 1412-10(e)-(f))

Subpart E.—Average Daily Attendance

§ 116b.50. Eligibility of children to be counted in the determination of average daily attendance.

(a) To be eligible to be counted in average daily attendance for the purpose of computing a grant under section 121 of the Act, a handicapped child must—

(1) Be on the membership roll of a State educational agency;

(2) Be on the membership roll of a local educational agency;

(3) Be a child who was formerly enrolled in average daily attendance in a State agency during the school year 1971-1972 or subsequent years and is now enrolled in a local educational agency program; or

(4) Be a child who is enrolled in the State agency and, at least, was enrolled in a local educational agency.

(b) The State agency shall determine the average daily attendance of each child enrolled in a local educational agency program.

(3) The State agency transfers to the local educational agency in whose program the child is enrolled an amount equal to the sums received by the State agency under this part which are attributable to that child.

(20 U.S.C. 1412-2(b)(3))

§ 116b.51. Education by more than one agency.

A handicapped child receiving free public education from more than one State agency shall only be counted by the State agency which is primarily responsible for the child's education, as determined by the State educational agency.

(20 U.S.C. 1412-2(b)(4))

§ 116b.52. Average daily attendance computation.

(a) All handicapped children eligible under § 116b.50 may be counted in average daily attendance under this part.

(b) For the purposes of this part, average daily attendance at each State-operated school, State-supported school, and school operated by a local educational agency, shall be computed by taking 90% of the total membership enrollment of handicapped children in that school or program who are eligible under § 116b.50.

(20 U.S.C. 1412-2(b)(5))

§ 116b.53. Dates for counting and reporting average daily attendance.

(a) State agency. State agencies shall count handicapped children on the membership roll of State-operated and State-supported schools as of October 1 of each year, and shall report their average daily attendance to the State educational agency.

(b) Local educational agency. Local educational agencies shall count handicapped children as specified by § 116b.50 on a child's membership roll as of October 1 of each year, and shall report their average daily attendance to the State educational agency.

(c) State educational agency. The State educational agency shall submit a report to the Commissioner by the following November 1 which sets forth the information submitted under paragraphs (a) and (b) of this section.

(20 U.S.C. 1412-2(c)-(d))

§ 116b.54. Children counted under section 121.

A handicapped child who is counted for average daily attendance for the purpose of computing a grant under section 121 of the Act is eligible for consideration for the purpose of computing a grant under this part.

(20 U.S.C. 1412-2(e))

Subpart F.—Program Requirements

§ 116b.70. The educational program.

Each eligible child shall be provided with a program which—

(a) The goal is to meet the child's special educational needs; and

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(b) Supported in whole or in part with funds provided under section 121 of the Act.

(20 U.S.C. 241c-2 (c); (4) 40 Fed. Reg. 31-608, p. 24 (1974).)

§ 116h.71 State standards.

(a) The State educational agency shall adopt standards which are designed to ensure that each eligible child will receive an appropriately designed educational program.

(b) Each program of instruction provided to eligible children shall meet the standards of the State educational agency.

(20 U.S.C. 241c-2.)

(c) Whenever a State agency determines that a program provided eligible children does not meet the minimum acceptable standards for those children and the children are withdrawn from the program, the State agency, through the State educational agency, shall notify the Commissioner of that action.

(20 U.S.C. 241c-2(c).)

§ 116h.72 Maintenance of direction and control.

Each State agency and local educational agency conducting programs under this part which include services provided through contracts with other public or private agencies (including hospitals, clinics, colleges, universities, and elementary and secondary schools) shall maintain these services under their complete administrative and supervisory direction and control. This requirement would not be met if all of the services for eligible children were provided through contracts with other agencies.

(20 U.S.C. 241c-2 (a) and (d).)

§ 116h.73 Discrimination.

Each State agency and local educational agency receiving funds under this part shall adopt effective procedures for acquiring and disseminating to teachers and administrators significant information derived from special educational research, demonstration, and similar projects, and for adopting, where appropriate, providing special educational practices developed through these projects for use in program planning and operation under this part.

(20 U.S.C. 241c-2.)

§ 116h.74 Use of equipment.

Each State agency and local educational agency shall ensure that appropriately trained staff will be available to use and operate any equipment provided with funds under this part.

(20 U.S.C. 241c-2.)

§ 116h.75 Participation of children who were not counted.

Children, eligible to be counted under § 116h.50, but who were not counted may participate in projects under this part if:

(a) All children who were counted are receiving benefits from funds made available under this part; and

(b) All those children who were counted are receiving an appropriately designed education commensurate with their special needs.

(20 U.S.C. 241c-2.)

§ 116h.76 Participation in programs under Part 116a.

Nothing in this part shall preclude handicapped children from participating in projects funded under Part 116a of this chapter.

(20 U.S.C. 241c-2.)

§ 116h.77 Relationship to Part B of the Education of the Handicapped Act.

No funds provided under Part B of the Education of the Handicapped Act may be made available for handicapped children eligible for assistance under this part.

(20 U.S.C. 1413(a)(9).)

Subpart G—Allowable Costs

§ 116h.82 General.

(a) Cost principles. Allowability of costs incurred under this part will be determined in accordance with the cost principles referenced in § 100b.81 of this chapter.

(b) Expenditures. Funds made available under this part may be used for expenditures, including administrative expenses subject to section 143 (b) of the Act (administrative costs of the State educational agency), which are reasonably necessary for activities directly related to the conduct of programs and projects to meet the special educational needs of eligible children including planning, evaluation, and dissemination of the results of those activities.

(20 U.S.C. 241c-2 (a)(4)(B).)

§ 116h.86 Instruction and related services.

(a) Funds made available under this part may be used for payment of the costs of:

(1) Direct instructional services for eligible children; and

(2) Other services which complement instruction and which are necessary to help alleviate an eligible child's handicap, or provide information concerning

it which is necessary to enable the child to benefit from an educational program, such as: Speech pathology and audiologic services, educational diagnostic and prescriptive services (such as psychological and educational evaluation), health services, food services, library and media services, employment of program staff (including a paraprofessional, coordinator, supervisor, curriculum specialist, media services) in addition to those used in direct instruction of handicapped children, and parent and community services.

(b) The State agency may provide agency-wide services (in addition to services located in particular schools) under this part if it determines that the educational needs of eligible children will be better served by that method of programming.

(20 U.S.C. 241c-2.)

§ 116h.87 Tuition and service costs.

(a) Tuition. Funds under this part shall not be used for the payment of tuition or fees.

(b) Services. Parents or guardians of eligible children in programs under this part shall not be charged for any special educational services provided for those children or for other related services provided to enable them to benefit from a special educational program (including the cost of services such as room, board, or medical care which are provided in an institutional residential care facility in which the child is placed by the State agency).

(20 U.S.C. 241c-2.)

§ 116h.88 Transportation costs.

Expenditures for transportation of eligible children are allowable only under the following conditions:

(a) The State educational agency has determined that the transportation is essential in order to ensure the child's safety, or to enable the child to benefit from the educational services being provided;

(b) The school in which the child is enrolled has made reasonable efforts to ensure other means of transportation for the child;

(c) There is no State law requiring the provision of the service; and

(d) The transportation is not primarily provided other handicapped children by the agency in whose educational program the child is enrolled.

(20 U.S.C. 241c-2.)

PLN 80-10-0000, P000 4 02 20-02 0001

Appendix 3

PUBLIC LAW 89-313 -- PAST, PRESENT, AND FUTURE

A REVIEW OF THE LAW AND THE PROGRAM

A report for the Committee on Education and Labor of the U.S. House of Representatives. This report does not reflect the views of any Member of the Committee or Committee employee. It has been compiled as a staff document for information purposes only.

FOREWARD

Since the advent in 1965 of major Federal programs providing assistance to children in elementary and secondary schools, the Congress has shown itself to be strongly committed to broadening the educational opportunities available to handicapped children. The State operated program for the handicapped authorized under Title I of the Elementary and Secondary Education Act is an example of this commitment. That program, since its inception in 1965, has served to make available to thousands of handicapped individuals educational opportunities which they would not have otherwise received.

Since the Committee on Education and Labor, and its Subcommittee on Elementary, Secondary, and Vocational Education, is now in the process of reviewing all of the Title I programs, as well as all of those other elementary and secondary education programs expiring next year, it is particularly timely that Congressman Al Quie, our ranking minority member, directed Dr. Martin LaVor, of his staff, to compile a study on the State operated handicapped program under Title I. To my knowledge, this study is the most comprehensive overview ever done on that program, and consequently, it will be very valuable to the Committee and to the Subcommittee as we perform our tasks this year. Congressman Quie and Dr. LaVor are to be highly commended for taking the initiative in compiling this study, and I am, therefore, pleased to have it printed for the use of the Committee and of the general public.

Carl D. Perkins, Chairman
Committee on Education and Labor
Chairman, Subcommittee on Elementary,
Secondary, and Vocational Education

This report was compiled by Dr. Martin LaVor, Senior Legislative Associate of the Education and Labor Committee, U.S. House of Representatives. He was assisted by Ruth Lipman and Sandra Glover, who spent endless hours organizing and compiling the material contained in this report.

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PART I

BACKGROUND AND OPTIONS

OVERVIEW OF THE PROGRAM

Public Law 89-313 provides funds through Title I of FSEA to state agencies to provide education to handicapped children and youth and state operated or state supported schools. Funds are then distributed between state agencies to residential and day schools on a project grant basis. In fiscal year 1978, 144 state agencies received funding under P.L. 89-313. Typical recipient agencies in a given state would be the Department of Education and the Department of Mental Health. Some states have other names for these agencies and in a number of other states other agencies such as Children and Youth Services, Children's Services and Institutions participate. 3,124 local education agencies participate in the follow-the-child concept, a provision of the law which permits P.L. 89-313 funds to follow a child who leaves a state operated or state supported program and enters a special education program operated by a local education agency. The total number of children participating in fiscal year 1978 is 223,832. Included are children who are mentally retarded, deaf and hard of hearing, visually handicapped, emotionally disturbed, physically handicapped and other health impaired. The average allocation per pupil is \$553 or a total funding in fiscal year 1978 of \$121,591,000. In 1966 when this program began 98.4% of the children served were in residential programs. In fiscal year 1978, 40% were in residential programs, 49% in day programs run by the state or supported by the state, and 5% were in follow-along programs administered by local education agencies. It should be noted that the 40% served in residential programs may in fact be higher than the actual number of children in actual residences since this figure includes all children attending residential schools regardless of whether they live at home and attend such school or in fact reside in the school itself.

The purpose of P.L. 89-313 is the same as that of Title I, specifically to provide a supplementary educational opportunity. However, historically, handicapped children in institutional settings had little or no basic educational opportunity. It was concern for these children that led to the creation of P.L. 89-313. For these children P.L. 89-313 was often not supplementary but provided the only educational opportunity these children received. The statistics above indicate P.L. 89-313 is now serving a more diversified population. It still continues to serve severely handicapped children in institutions such as mentally retarded and emotionally disturbed. For these children 89-313 dollars often substantially provide their basic education. It also provides services to children in state programs for the deaf and the blind. In these schools the funds are primarily used to supplement the basic education provided through state funds. In a number of cases funds go to day school programs operated by governmental agencies other than local education agencies. For example, in Ohio all mentally retarded children except the mildly retarded are educated in local programs operated through the Department of Mental Hygiene. While these are local schools supported through local tax revenue as well as state revenue and therefore are not eligible for P.L. 89-313 funds, the children in such schools are P.L. 89-313 eligible. In a few cases LEAs themselves receive 89-313 funds when the state education agency declares the LEA program to be a state program. Thus, it is possible for the state to give a grant to a LEA for public school services to handicapped children as long as the state declares that program to be substantially state supported.

HOW IT DEVELOPED -- LEGISLATIVE HISTORY

In 1965 the Federal government took a giant step towards assisting states in the improvement of elementary and secondary education throughout the nation. Through the Elementary and Secondary Education Act of 1965 (P.L. 89-19), it became the policy of the United States to provide financial assistance to local education agencies serving areas with concentrations of children from low income families to improve their education programs.

On April 11, 1965, an amendment to P.L. 81-874 (To provide financial assistance for local education agencies in areas affected by Federal activities.) was signed into law.

Section 201 of P.L. 89-10 declared, in part, that it was the

"...policy of the United States to provide financial assistance to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children."

Although handicapped children were not specifically mentioned as recipients of that Act, there was clear intent that they be covered under the original Title I where handicapped children also lived in low income areas and were in need of special educational assistance.

The original Title I provided financial support to local education agencies but through an oversight did not provide comparable educational support for handicapped children served in state operated or supported facilities. Later in 1965 the Congress, with a clear objective of correcting this oversight, amended a succeeding education bill to include a provision offered by the Senate. That bill became P.L. 89-313 on November 21, 1965. Although its primary purpose was "to provide financial assistance in the construction and operation of public elementary and secondary schools in areas affected by a major disaster," it also established an entitlement for funds for handicapped children and read as follows:

"Sec. 6(a) Section 203(a) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as amended, is amended by inserting immediately after paragraph (4) the following new paragraph:

"(5) In the case of a State agency which is directly responsible for providing, on a non-school-district basis, free public education for handicapped children (including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education), the maximum basic grant which that agency shall be eligible to receive under this title for any fiscal year shall be an amount equal to the Federal percentage of the average per pupil expenditure in that State multiplied by the number of children in average daily attendance, as determined by the Commissioner, at schools for handicapped children operated or supported by that State agency, in the most recent fiscal year for which satisfactory data are available. Such State agency shall use payments under this title only for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of such children."

The amendment in the words of the Senate Committee report was

"...to assure that public schools, providing special education operated by the States for the benefit of handicapped children, could participate in the benefits established under Public Law 89-10 for educationally deprived children attending schools operated by public local educational agencies."

This provision made handicapped children in state operated and supported facilities eligible to receive funding under Title I of ESEA for the first time. The language established a basic entitlement through the formula established in the new paragraph (5) of Sec. 203(a). The programs funded under this legislation received a priority and therefore were guaranteed money "off the top" of the Title I (ESEA) appropriation each year. It must be noted that there was no discussion or explanation as to why this priority was established.

1966

On November 3, 1966, P.L. 89-750 was added comparable provisions for educating migratory children and for neglected and delinquent children. Although this history deals only with those provisions pertaining to the handicapped, it is significant to note that since 1966, state operated programs have been treated by Congress in a virtually identical fashion with respect to entitlement.

PAYMENTS TO STATE EDUCATIONAL AGENCIES FOR ASSISTANCE IN EDUCATING
MIGRATORY CHILDREN OF MIGRATORY AGRICULTURAL WORKERS.

"Sec. 103. (a) Section 203(a) of such Act of September 30, 1950, is amended by inserting after paragraph (5) of the following new paragraph:

"(6) A state educational agency which has submitted and had approved an application under Section 203(c) for any fiscal year shall be entitled to receive a grant for that year under this title for establishing or improving programs for migratory children of migratory agricultural workers. The maximum total of grants which shall be available for use in any state for any fiscal year shall be an amount equal to the Federal percentage of the average per pupil expenditure in the United States multiplied by (A) the estimated number of such migratory children ages five to seventeen, inclusive who reside in the State part time as determined by the Commissioner in accordance with regulations."

PAYMENTS ON ACCOUNT OF NEGLECTED OR DELINQUENT CHILDREN.

"Sec. 104. (a) The first sentence of section 203(a)(2) of such Act of September 30, 1950, is amended by striking out all that follows "multiplied by" and substituting: "the number of children in the school district of such agency who are aged five to seventeen inclusive, and are (A) in families having an annual income of less than the low-income factor (established pursuant to subsection (c)), (B) in families receiving an annual income in excess of the low-income factor (established pursuant to subsection (c)) from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act, or (C) living in institutions for neglected or delinquent children but not counted pursuant to paragraph (5) of this subsection for the purpose of a grant to a State agency, or being supported in foster homes with public funds."

"(b) The second sentence of such section 203(a)(2) is amended by striking out "the number of children of such ages and families in such county or counties" and inserting in lieu thereof "the number of children of such ages in such county or counties who are described in clause (A)(B), or (C) of the previous sentence".

1970

In 1970, P.L. 91-250 amended ESEA to correct a problem found in the 1965 law, concerning children that State agencies did not directly educate but rather provided an education by contract with public or private agencies. The explanation was found in Senate Committee Report 91-634:

HANDICAPPED CHILDREN AND NEGLECTED OR DELINQUENT CHILDREN
RECEIVING EDUCATION UNDER CONTRACT WITH STATE INSTITUTIONS.

"Under present law any State agency which is directly responsible for providing free public education for institutionalized handicapped children, or for neglected or delinquent children, is eligible to receive title I payments for education programs for such children. In some instances State agencies do not provide education directly. They contract with other schools for the education of such children. Section 105 would permit the counting of children receiving education under contract in computing the eligibility of the State agency."

The language of the actual amendment is as follows:

AMENDMENTS WITH RESPECT TO HANDICAPPED AND NEGLECTED OR
DELINQUENT CHILDREN.

Sec. 105(a) Paragraph (2) of section 103(a) of title I of the Elementary and Secondary Education Act of 1965 is amended to read

as follows:

"(5) In the case of a State agency which is directly responsible for providing free public education for handicapped children (including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education), the maximum grant which that agency shall be eligible to receive under this part for any fiscal year shall be an amount equal to the Federal percentage of the average per pupil expenditure in the State or, if greater, in the United States multiplied by the number of such children in average daily attendance, as determined by the Commissioner, at schools for handicapped children operated or supported by the State agency, including schools providing special education for handicapped children under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available. Such state agency shall use payments under this part only for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of such children."

(b) Paragraph (7) of section 103(a) of such title I is amended by inserting after "supported by that State agency" the following: ", including schools providing education for such children under contract or other arrangement with such agency."

(c) The amendments made by this section shall be effective after June 30, 1970.

1974

Since 1965 89-313 has been consistently reauthorized, but with very little review or oversight of actual program operation.

In 1974 the House Education and Labor Committee considered altering the off the top funding of 89-313 funds by establishing line-item authorization for children in state operated and supported programs under Title I. Questions were raised at that time as to whether the needs of these children or the institutions were so unique that they should receive special treatment or whether they should be subject to budget and appropriation procedures comparable to those required of the overall Title I program. No hearings were held on this matter and the alteration was not adopted by the Committee. In investigating this matter the Committee was frustrated by the lack of available information.

In 1974 through P.L. 93-380, the Congress added the first significant changes to the original 89-313 legislation. First, the allocation formula when computing the eligibility funding was changed from 50% of the state or national average per pupil expenditure, whichever was higher, to 40% of the average per pupil expenditure in the State. In states where the average expenditure is below 80% of the national average, expenditures are raised to 80% of the national average. In states where the average expenditure is above 120% of the national average, the payment is reduced to 120% of the national average. In addition, changes were made in the determination of who is eligible to be counted in the LEA grant portion of the Act, and Puerto Rico became eligible for state agency grants. The Statement of Managers in the Conference Report dated July 25, 1974 which accompanied the Education Amendments of 1974 explained the conference action as follows:

"The Senate recedes with an amendment maintaining payments for State educational agency programs for handicapped, migratory, and neglected and delinquent children at 100 percent of the fiscal year 1974 allocation for each State. The conferees recognize that worthwhile programs are currently being conducted under Title I by State agencies for the handicapped and for the neglected and delinquent and by State programs for the education of migratory children. For this reason, the conference committee decided to hold these programs harmless to the amounts that each State received for each such program in the most recent fiscal year, fiscal year 1974. In this way, valuable on-going programs will not have to be curtailed. However, since the payment rate for the basic title I formula was amended to provide assistance at the level of 40 percent of the State average per pupil expenditure (with a floor of 80 percent of the national average and a ceiling of 120 percent), the conferees did not believe that a different rate of payment for state agency programs was justified, especially since such programs are fully funded before any payments are made to local educational agencies. Under the conference agreement, payment rates are uniform for all Title I children."

The actual language is as follows:

"SUBPART 2 -- STATE OPERATED PROGRAMS

"PROGRAMS FOR HANDICAPPED CHILDREN

"Sec. 121. (a) A state agency which is directly responsible for providing free public education for handicapped children (including mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education), shall be eligible to receive a grant under this section for any fiscal year.

"(b) Except as provided in sections 124 and 125, the grant which an agency (other than the agency for Puerto Rico) shall be eligible to receive under this section shall be an amount equal to 40 per centum of the average per pupil expenditure in the State (or (1) in the case where the average per pupil expenditure in the State is less than 80 per centum of the average per pupil expenditure in the United States, of 80 per centum of the average per pupil expenditure in the United States, or (2) in the case where the average per pupil expenditure in the State is more than 120 per centum of the average per pupil expenditure in the United States, of 120 per centum of the average per pupil expenditure in the United States), multiplied by the number of such children in average daily attendance, as determined by the Commissioner, at schools for handicapped children operated or supported by the State agency, including schools providing special education for handicapped children under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available. The grant which Puerto Rico shall be eligible to receive under this section shall be the amount arrived at by multiplying the number of children in Puerto Rico counted as provided in the preceding sentence by 40 per centum of (1) the average per pupil expenditure in Puerto Rico or (2) in the case where such average per pupil expenditure is more than 120 per centum of the average per pupil expenditure in the United States, 120 per centum of the average per pupil expenditure in the United States."

A second change appearing in P.L. 93-380 was designed to bring about a revision in the manner in which handicapped children are counted. Prior to 1974 states were able to count all children in state operated programs in order to determine their program eligibility. Once funding was received, states were free to spend the federal dollars on any child or for any purpose. The 93-380 provision required that all federal money must be spent equally only on the children who were counted and generated the money. That provision follows:

"(c) A State agency shall use the payments made under this section only for programs and projects (including the acquisition of equipment ~~and, where necessary, the construction of school facilities~~), which are designed to meet the special educational needs of such children, and the State agency shall provide assurances to the Commissioner that each such child in average daily attendance counted under subsection (b) will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made."

P.L. 93-380 also amended P.L. 90-303 to provide that funds generated by a handicapped child in any of the above situations could follow the child into a IEA supported program as long as the funds so generated went to meet the special education needs of that child. In such cases the child now continues to be counted by the IEA that was serving the child and that agency then has the authority to make payment to the IEA. The purpose of this provision was to encourage deinstitutionalization of handicapped children, since there existed a substantial discrepancy between a relatively high level of Federal funding for children in the state supported programs and a very low level of funding for children in IEA programs primarily supported through Part B of the Education of the Handicapped Act.

This amendment was included in the law because many states expressed their concern that if they deinstitutionalized children they would lose money as their eligibility count dropped but that local education agencies would be forced to absorb the costs of educating those children. It was intended that there would be no limitation as to the length of time the child in the IEA would be eligible to receive the "follow along" funding. That provision is as follows:

"(d) In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a

local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the state agency transfers to the local education agency in whose program such child participates an amount equal to the sum received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in subsection (c)."

The final provision included in P.L. 93-380 as it pertained to state operated programs was a 100% hold harmless provision at the existing level which guaranteed that no state agency would receive less than it has received during the prior fiscal year. This change was included because the entitlement rate was reduced from 50% to 40%. Without a hold harmless the state operated program could have suffered a payment loss up to 20%. The language reads as follows:

"MINIMUM PAYMENTS FOR STATE OPERATED PROGRAMS.

"Sec. 125. Except as provided in section 843 of the Education Amendments of 1974, no State agency shall receive in any fiscal year prior to July 1, 1976, pursuant to sections 121, 122, or 123 an amount which is less than 100 per centum of the amount which that State agency received in the prior fiscal year pursuant to such sections 121, 122, or 123, respectively."

1976

On October 12, 1976, through P.L. 94-482, a technical and clarifying change was added to change the hold harmless language from "state agency" to the word "State". The effect of this amendment was to recognize that in some states there was a shift in jurisdiction between state agencies. The report language in Section (a) clarifying the intent of the change is as follows:

(a) (of the first section). This Subsection would amend section 125 of the Elementary and Secondary Education Act, which provides an annual "hold harmless" for the State agency programs under title I, to clarify that the entity which is held harmless from one year to the next is the entire State program and not the individual State agencies which receive funds under one of the programs involved."

1977

In 1977, the Elementary, Secondary and Vocational Education Subcommittee of the House Education and Labor Committee announced hearings on the extension of ESEA and stated its intention to thoroughly review ESEA. In January, 1977, the staffs of the House Subcommittee and Senate Subcommittee on Education attended a briefing by the General Accounting Office. GAO had been evaluating the program and reported the initial findings of the review it was conducting in several states. GAO indicated that there appeared to be some inconsistencies and problems in the program, but it needed more time to thoroughly study and visit states and observe programs before making final judgments, and indicated that they would report back to the Congress within 10 months with their final report. One of the problems facing GAO as well as the Congress was the dearth of available information on the program. Very little has been written about the program regarding its history or the way it functions, and in conversations with responsible officials at the Federal, state and local level, there appeared to be, in addition to a lack of information, considerable lack of understanding of both the law and how the program actually works.

THE STUDY

In order to build a data base and obtain input from responsible and interested individuals, agencies, and organizations throughout the country, on January 21, 1977, 200 letters were sent asking pertinent questions with regard to ESEA (see section on "Analysis of Responses From State Agencies"). This was done prior to any hearings or final action by the Congress so that the committee could use the information in reviewing the program. The questionnaire, although under the name of a single staff person was reviewed by both the majority and minority professional staff in both the House and the Senate. After the initial mailing, the original letter was subsequently reproduced by several organizations and sent to their memberships. Included among those who reproduced it are the American Speech and Hearing Association, the National Association of the Deaf, and the National Association of Coordinators of Programs for the Mentally Retarded and the

Council of Administrators of Special Education. It is estimated that at least 2000 individuals, institutions, and organizations received copies of the questionnaire. This report, in part, represents a compilation of the answers received.

In addition to the summary of the responses, a review of the state of the programs, evaluations, staffing, auditing, statistics and other pertinent general data is included and concludes with some options for action which the Committee might consider. This report contains no staff opinions or recommendations. It is intended to be a working document to be used by the House and Senate Committees as they consider their actions for the future of P.L. 89-313.

As of July 1977, over 350 letters have been received in answer to the Questionnaire. The majority of those who received the original congressional inquiry responded. The following state agencies did not: Alabama, Michigan, Utah, West Virginia, and Rhode Island. Kentucky and Kansas acknowledged the letter, but did not provide any substantive data. In May, five months after the original letter, a follow up letter was sent in each of these states again requesting the information, but to date no communication has been received from any of them.

The wide variation in responses tends to complicate the issue of 89-313. Contrary to what was expected there does not appear to be any common thread which one could use to describe specifically what 89-313 money is used for. The money is used in every conceivable manner for what are described as "educational purposes." After eight months of investigation, given the state of administrative procedures and policies and methods of accounting, it is impossible to separate out educational costs for children in state supported or operated schools and other residential and institutional costs. Also, it is difficult, if not impossible, to explain why educational costs of children in institutions or state supported schools should differ from similar educational programs in a local education agency. In compiling this report the following question was asked time and time again: "If you have two children, who have the same disability, are the same age, one lives at home and attends a local public school and is in a self-contained class and the other is in a state school or is educated in a state school, why aren't the costs for educating each child identical or at least comparable?" This question becomes particularly pertinent as the Committee reviews 89-313 funding because the average per pupil expenditure ranges from a low of \$415.37 per child to a high of \$623.38 per child, while programs serving handicapped children under P.L. 94-142 receives about \$70 per child.

Since no reliable data was available to answer this question the following review of the literature is added. This review does not necessarily cover only educational costs, but total institutional costs, and is focused on the mentally retarded.

PERSPECTIVES ON THE POPULATION SERVED

Part of the difficulty in isolating educational costs in an institution is the high costs of keeping an individual in one. Dr. David Braddock in his study "Billions and Tents in Education" estimated that it costs \$167,000 to keep a mentally retarded individual for life and \$737,000 for a mildly handicapped individual.¹⁷ The annual costs are astronomical and are increasing yearly. In 1966 the average daily cost per resident in public institutions was \$6.74.¹⁸ According to a report issued last year to the National Association of Superintendents of Public Residential Facilities for the Mentally Retarded, the mean per diem rate for the 231 public facilities responding to a NASPRM Questionnaire was \$34.76 in FY 1975-1976, or over 50% higher than average cost per resident ten years earlier. In fact, the NASPRM study shows that per diem rates increased by 46.4 percent between FY 1973-74 and FY 1975-76. During this same period, the number of facilities with a per diem rate of over \$50.00 grew from 12 to 41.¹⁹ Some of this increase in operating costs is associated with inflationary pressures in the economy. Added personnel and related services appear to make up a significant portion of the increase.²⁰ To illustrate the costs, the rates from one institution, the Northern Virginia Training Center, will be used. As far as institution costs go the NVTC's are typical, although there are many other institutions which are much higher. The cost per resident is approximately \$48 per day, with an annual cost of about \$16,000. These costs come from four primary areas: residential, medical, clinical, and program (which includes education). Personnel accounts for over 40% of the costs. The following is a breakdown of some of the component costs at the Northern Virginia Center. The items are selected and not intended to be all inclusive. (A) general repairs, maintenance service (include building equipment, etc.), food services (from buying to special dietarys, professional services (nursing), health professional services (hospital care), clinical services (orthopedics), travel (staff) including local, education (conventions, meetings, etc.), and state (meetings), communication, printing

(xerox, forms), laundry and dry cleaning. (B) Supplies and Materials: food, office, fuel, light, heat, water, drugs, medical (braces, support splints, hearing aids, etc.) dental, medical and lab, laundry, cleaning, disinfectants, housekeeping, building materials, highway, landscaping, motor vehicle. (C) Grants and Share Revenue: tuition, training aides. (D) Equipment (replacement): recreation, books, periodicals, photography, educational, lab (etc.). (E) Equipment (acquisitions): includes wheelchairs, OT/PT equipment, etc. (F) Current charges and obligations: rent, insurance, dues and subscriptions, unemployment compensation. (G) Personnel (breaks down into following major categories): administration, care and treatment (all direct services), building and grounds, education and training, and food service.

An examination of trends in per diem operating costs can leave a misleading and distorted picture of the current financial needs of public residential facilities. When viewed against the backdrop of where the field was a decade ago, one finds that the bulk of the increase in institutional budgets has been directed toward eliminating the sub-human conditions which permeated many traditional state institutions and toward bringing these facilities up to minimum standards of health and safety. While some public facilities are beginning to provide high quality educational training and rehabilitative services to their residents, the large majority of institutions are still struggling to take their first steps in this direction.

—This impression is buttressed by a recent analysis of accreditation reviews conducted by the Accreditation Council for Facilities for the Mentally Retarded and Developmentally Disabled. The Council, which places heavy emphasis on active rehabilitative programming, granted accreditation to only 28 percent of the 48 residential facilities (93% of which were publicly operated) reviewed during the period June, 1973 to September, 1974.^{5/}

One of the problems in attempting to generalize about 313 is the fact that not all 313 children are in state institutions. There are several distinct populations who benefit from the funds. They are the deaf, blind, mentally retarded, the emotionally disturbed and other health impaired. For all practical purposes the groups can be divided along physical and mental lines with the needs and services being unique to each and not comparable to one another. For the most part, deaf and blind require specialized personnel and special equipment and material. The retarded, although they need specialized teachers, have generally not had them and have been trained by paraprofessionals and/or aides.

The institutions over the last decade have been changing dramatically. This is due primarily to court suits, public awareness and pressure to deinstitutionalize so that today, children who are in institutions tend to be more severely disabled than the general population of the past. Those that remain in the institutions today are the children that were generally never seen years ago and were those generally found in the back wards. Institutions today are providing educational services for greater numbers than in the past.

A perfect example of what institutions are doing can be shown with the Willowbrook Developmental Center in New York State. Just a few years ago that institution had a population of over 6,400 people. Not all were children. Of the population below the age of 21, about 200 were receiving educational services. As a result of many of the pressures just described, the Willowbrook population today is now down to a total of approximately 2,400 with 1,200 below the age of 21. All of those individuals are getting something called education — each has an individualized educational program and attends some educational program from 1 to 5 hours per day. Some even attend classes off-campus. By 1981, the Willowbrook population is expected to be down to 400 because of a court order directing such reduction. This is only one institution in the State of New York and the State spends \$30 million in it. There are 17 other similar institutions in the State of New York.

Not all state operated residential schools are like Willowbrook. Most state schools for the deaf and blind have traditionally received support from the States and have always had extensive educational programs. In most cases states have paid 100% of the costs of basic programs. In the past, where state schools for the retarded had limited education programs, it was usually and almost exclusively 89-313 monies that were used to develop them.

For the most part, it can be said that state schools for the deaf and blind were established almost exclusively for the purpose of providing education and are not intended to be lifetime residential facilities. On the other hand, institutions for the retarded were rarely established with education as a priority or goal.

Programs for the deaf and blind generally used 89-313 dollars to purchase services and equipment over and above those items generally considered to be basic education. For

example, at the New York State School for the Deaf 5,3 money has been used for the following:

- *Institution of a student work-study program.
- *Services to parents through federal funding--school personnel travel to home areas for workshops, discussions, etc. with families of handicapped children.
- *The acquisition and handling of visual materials for deaf students; at least 75% of the materials and equipment in this area and the total salary for the director of AV services are federally funded.
- *A 2-year curriculum development program in Music for the Deaf--tied to direct classroom services.
- *The making of 2 films for public and parent education regarding deafness and services available in New York State.
- *A summer curriculum development workshop in language.
- *A summer curriculum development workshop in Life Skills for deaf children.
- *A summer school for high school deaf students--emphasizing programmed materials, teaching machines, and individualized instruction.
- *Short term institutes for parents of deaf children.
- *Provision of Consultants to improve educational programs in math, science, the arts, language development, child care techniques, dental health, etc.
- *Provision of full-time psychological services.
- *Supports position of Director of Instruction.
- *Provision of part-time services in movement/dance for deaf children.
- *Provision of services for children with psychomotor problems.

One of the problems that complicates 89-313 is that educational programs for children are not necessarily under the control, supervision or direction of the state education agency. 89-313 money is allocated depending on the state agency which has "responsibility" or "control" over the particular agency in which the child resides. Children can fall under the jurisdiction of state education departments, welfare, mental health or general institutions departments. There is no correlation among states regarding departmental control of children and there does not appear to be any relationship or control of educational programs. As a consequence, it is difficult to assess the scope and calibre of any one state's overall educational program for the handicapped population served through 89-313. Although it appears that many institutions do an outstanding job, it seems clear that education for many is still minimal or non-existent.

In 1974 there was an amendment which attempted to alter the way children were counted under 89-313. Prior to 1973 a facility could count all of the eligible children within the facility. However, when it received its money it did not have to spend that money on the child who generated the dollars. Thus in a number of instances, facilities were using 89-313 funds to educate children for whom little or no non-federal funds were available, while the children who generated the count, because they were receiving some educational services, received no 89-313 benefits. The 1974 amendment required that all money allocated under 313 must be spent only on the children who generate the dollars. It was anticipated because of this restriction and because of the move throughout the country toward the deinstitutionalization of children, the numbers of children would drop. In point of fact, the numbers increased.

In the area of the retarded it was anticipated that the numbers would decrease dramatically because the figures for this population showed a steady decline. Since 1967, when the resident population in public mental retardation facilities reached a peak of 193,158, there has been a steady decline in the total number of residents. By 1975-76 the total resident population in publicly operated residential facilities for the mentally retarded in the United States had dropped to 153,584.⁶⁷

As a result of the much higher placement rate among adults, there has been a dramatic shift toward an older and more severely handicapped population in public residential institutions for the mentally retarded in recent years. For example, Scheerenberger reports that the percentage of residents under 22 years of age dropped from 50.7 in 1964 to 36.9 in FY 1975-76. He also notes that the percentage of residents classified as either severely or profoundly retarded, in accordance with the AAMR Classification Manual, increased from 50% in 1964, to 61.1% in FY 1973-74, and 73.0% in FY 1975-76. In commenting on new admissions during FY 1975-76, however, Scheerenberger points out that 55.7 percent of the mildly retarded admitted to residential facilities and 58.3 percent of moderately retarded were school age children (i.e. between 6 to 21 years of age).⁶⁸

In spite of the statistics from the literature, the actual data available from 89-313 on the number of retarded children reported served has increased rather than decreased even though the total retarded population in institutions has declined. In 1975 the reported number of retarded children served under 89-313 was 98,750. In spite

of the requirement of spending money for children counted and the dramatic moves towards deinstitutionalizing, the 1977 reported figure is 131,487 retarded children and youth were receiving services under 89-313, it is obvious that a substantial population of children who were once served in residential facilities are now being served in day programs and are being counted for 89-313 purposes.

In FY 1973 the total population counted was 157,997. In FY 1978 it was 223,832. It has not been possible to accurately determine the reason for this phenomenon. The following, however, are considerations: The counting methods have not been altered to conform with changes in PL 93-380, that institutions are simply serving more children, or the non-residential base has been expanded as previously noted.

Although 89-313 dollars for the handicapped are significant they still constitute a relatively small portion of educational costs regardless of the type of agency or institution a child is being educated in. Although federal funding will reach \$145 million in FY 1979, it is clear that it was never the intent of Congress that 89-313 be the sole support of education programs for children in state operated or supported institutions. There is no question, according to knowledgeable individuals, that had it not been for 313 dollars 10 years ago, many institutional education programs would never have gotten started. In fact, 89-313 was often the only money available. In 1977, states are providing more money for education than ever before. Also, the pattern of federal funding is beginning to shift. Until the last three fiscal years, the 89-313 money that a state education agency received substantially exceeded the dollars received under Part B of the Education of the Handicapped Act (now P.L. 94-142) which provides support for handicapped children in local education agencies.

FISCAL YEAR	89-313	94-142
	APPROPRIATIONS	PART B - EDUCATION OF THE HANDICAPPED ACT
1966	\$ 15,971,101	-0-
1967	15,065,351	\$ 2,500,000
1968	24,746,993	15,000,000
1969	29,742,618	29,250,000
1970	37,482,838	29,190,000
1971	46,129,772	34,000,000
1972	56,380,937	37,500,000
1973	75,962,098	37,500,000
1974	85,777,779	47,500,000
1975	87,863,520	99,600,000
1976	95,868,643	100,000,000
1977	111,433,451	200,000,000
1978	121,590,937	315,000,000
1979(projected)	145,000,000	465,000,000
TOTALS	\$949,016,038	\$1,414,000,000

CONCLUSION

Money from P.L. 89-313 made the difference 10 years ago between some educational services or none at all. In a vast majority of the cases it was only through the Federal dollars that handicapped children in institutions received any educational services at all. The early history of 89-313 is easy to document because virtually no educational services existed. In 1966, 98.7% of the children who received benefits from the programs were in state residential facilities with only 1.3% in day center programs. In 1978 only 40% were in residential settings with 60% in day center programs. Although there has been a dramatic shift in the population, the available information on the overall program is limited.

In spite of the fact that 89-313 money is in every state and territory and over \$804 million has been spent to date on this program, with another \$145 million projected for the next fiscal year, this program seems to have simply fallen through the bureaucratic crack. The Bureau for Education of the Handicapped which administers the entire program has only three full time employees (grades GS-14, GS-9, and GS-7) responsible for it. BHE State Planning Officers are supposed to have some role in the oversight of 313 programs, however, considering the limited staff and their overwhelming responsibilities in implementing P.L. 94-142, Education for All Handicapped Children Act of 1975, it is questionable as to whether they spend any time on 89-313 matters. Compounding all of this is the fact that there are no regulations specifically for 89-313. To date 89-313 programs have been covered by the general Title I regulations. On April 23, 1976, the BHE promulgated proposed regulations to cover 89-313, but as of September, 1977, final regulations have still not been issued. There is no official explanation as to why they have not.

In addition to the limited staff and no regulations is the astounding fact that after an expenditure of \$804 million there has never been one completed evaluation of the entire program. Literally no one knows how the entire program is operating or how well. There was one major study funded by the Office of Education's Office of Planning, Budget, and Evaluation in June 1972, and in spite of the fact that \$313,163 was spent on it, the Section on Evaluation rejected the contractors work as inadequate. (A review of this problem is found in the Evaluation section of this report.) Although the study was rejected in 1974, consistent with the conclusion that nobody is paying attention to the 89-313 program, the fact is that as of September, 1977, no other evaluation was or is being conducted. The Education and Labor Committee was informed recently that, because of "Congressional interest", a study is being planned. According to Office of Education officials it will probably be late spring at the earliest before a contract is let, and it will probably be 1980 before any conclusive evaluation results will emerge.

The issue confronting the Congress is not whether children in state operated or supported schools and institutions and other facilities should receive an education. The Congress has already declared that through P.L. 94-142 and Section 504 of P.L. 93-112, that every handicapped child is entitled to "a free and appropriate education designed to meet his or her unique needs." The questions of what can be done about the enormous costs for keeping children in institutions, or what is appropriate to spend for educating them is also not an issue that the Congress can or should address through this legislation. The questions for the Congress, given the fact that children are in institutions and day programs outside of the regular educational system, are how can we best provide education for those children, and what is the most appropriate way to use federal dollars in helping achieve the goal of full educational opportunity. The Congress must ask:

- (1) Should the present law P.L. 89-313 prioritize earmark funding for high priority the way it is?
- (2) Should states continue to spend for "any educational services" as its present practice? Or should federal money authorized by this legislation be targeted and restricted for specific needs and services?
- (3) Should all handicapped children regardless of where they reside be treated the same and therefore be covered under one basic law?
- (4) Are the needs of handicapped children in state operated or supported facilities different from handicapped children in comparable educational settings operated by local educational agencies?
- (5) In what basic way or should the differential between Title I and P.L. 89-313 be continued?
- (6) If the provisions of 89-313 are combined with P.L. 94-142, what will happen to the Title I money currently being spent for Title I? How will state and federal priorities for P.L. 94-142 funds?
- (7) Should all federal money for the education of the handicapped go automatically to the state education agency, or should that agency be responsible for the education program for handicapped children or should money continue to go to the agency which has jurisdiction over those children?

OPTIONS

There are several options for action which the Congress might consider when P.L. 89-313 is reviewed. They are:

- OPTION 1 - Keep the P.L. 89-313 provisions exactly as they are and continue to earmark dollars off the top of Title I. (It must be noted that if the decision is made to keep 89-313 some corrective or clarifying amendments will be necessary because of all the questions and problems (detailed in other parts of this Report) raised by program recipients throughout the country.
- OPTION 2 - Keep the language of 89-313 providing dollars for state operated and supported schools but remove the earmark and establish a separate authorization for it in its place.
- OPTION 3 - Combine P.L. 89-313 with P.L. 94-142. Since P.L. 94-142 requires that all handicapped children must receive a free appropriate education designed to meet their unique needs, these programs may be combined in several ways:
- (a) Make all handicapped children eligible for dollars equally and make no distinction for location of the educational program or the residential placement of the child.
 - (b) Because states receive between \$418.57 and \$623.35 per child under 89-313 and only \$70 per child under 94-142, one possibility might be to combine the programs but continue a different level of funding for children in state operated or supported schools.
 - (c) Another possibility is to place a hold harmless on the level of funding to states now received under 89-313, but reduce the level at a rate of 10-20% per year for each student until such time as children covered under 94-142 are eligible for the same amount of money as children covered under 89-313. When this level is reached then increase all equally on an annual basis.
- OPTION 4 - Remove P.L. 89-313 from Title I and make it a separate part of P.L. 94-142. Make all of the P.L. 94-142 provisions (IEP, due process, etc.) apply to all programs and children receiving 89-313 dollars. Transfer the existing 89-313 appropriation of \$145 million to 94-142 and use it as the base authorization level for the first year for this new section.
- OPTION 5 - The most drastic option the Congress might take is to repeal 89-313 completely. This can be done by simply making P.L. 94-142 apply to all handicapped children in each state and make no distinction as to where they are being educated.

FOOTNOTES

- 1/ Braddock, David, Opening Closed Doors: The Deinstitutionalization of Disabled Individuals, The Council for Exceptional Children, Reston, Virginia 1977.
- 2/ Department of Health, Education, and Welfare, Office of Mental Retardation Coordination, Mental Retardation Source Book, U.S. Government Printing Office, Washington, D. C. 1972, p. 30.
- 3/ Scheerenberger, R.C., Public Residential Services for the Mentally Retarded: 1976, National Association of Superintendents of Public Residential Facilities for the Mentally Retarded, Inc., 1976, p.36.
- 4/ For a discussion of staffing trends in public residential facilities for the mentally retarded, see Earl Butterfield, "Some basic Changes in Residential Facilities", in Changing Patterns in Residential Services (R.B. Kugel and A. Shearer, editors), President's Committee on Mental Retardation, 1976, pp. 18-19.
- 5/ Butterfield, p. 15 and Scheerenberger, p. 6.
- 6/ Scheerenberger, pp.5-6.
- 7/ Ibid, p. 10-11 and 15.

PART II

STATISTICAL CHARTS

The following charts were developed from statistics provided by the Bureau of Education for the Handicapped. The Committee could not determine how accurate the data may be. It is, however, the best and only data available.

ALLEGATIONS AND CHILDREN BY HANDICAPPING CONDITION
FOUNDED UNDER PL. 94-142, AMENDMENT TO TITLE I, IDEA, FISCAL YEAR 1973

	TOTALS		MENTALLY RETARDED		DEAF HARD OF HEARING		VISUALLY HANDICAPPED		EMOTIONALLY DISTURBED		OTHER HEALTH IMPAIRED	
	Children	Allegation	Children	Allegation	Children	Allegation	Children	Allegation	Children	Allegation	Children	Allegation
Totals	157,897	\$75,962,296	38,759	\$46,868,974	22,725	\$10,892,924	8,786	\$4,178,219	19,248	\$8,711,770	8,280	\$4,205,200
ALASKA	1,502	645,770	765	528,914	456	187,458	280	77,304	278	46,840	12	1,143
ALABAMA	1,476	1,071,782	227	241,853	154	402,262	13	8,440	178	129,252	324	265,873
ALUTIA	891	629,071	459	198,053	131	142,313	104	41,714	81	31,228	18	7,739
ARIZONA	2,178	876,408	1,227	656,318	525	159,781	188	80,829	40	21,796	78	33,335
ARIZONA (CLARK)	4,119	1,770,825	2,093	862,030	1,081	456,485	131	56,122	838	366,045	0	0
ARIZONA (CLARK)	2,866	1,232,256	2,276	979,144	145	105,351	78	33,105	287	114,794	0	0
CONNECTICUT	2,760	1,368,355	1,615	813,055	183	268,716	122	41,578	230	118,090	52	26,148
DELAWARE	1,148	571,841	686	341,772	415	213,361	45	21,384	88	40,325	187	91,183
DIST. OF COL.	1,500	837,703	915	511,000	48	23,890	43	20,431	216	120,830	278	133,334
FLORIDA	2,411	1,552,515	2,188	1,115,989	983	254,529	124	46,307	200	85,988	0	0
GEORGIA	1,522	654,369	861	384,195	561	241,196	200	81,948	82	39,555	4	1,440
ILLINOIS	494	242,384	262	90,154	149	75,280	11	8,398	16	1,470	114	56,873
INDIANA	378	160,368	226	96,737	120	51,353	28	12,218	0	0	0	0
ILLINOIS	8,191	4,065,270	3,800	2,476,568	324	261,513	206	102,280	1,407	694,308	250	124,071
INDIANA	4,690	1,999,221	3,338	1,435,140	988	288,340	189	80,829	336	244,462	122	52,431
IOWA	1,358	650,792	795	345,774	405	175,130	105	48,728	157	59,242	53	22,818
KANSAS	2,871	1,103,876	1,180	507,329	431	185,504	104	44,714	817	220,139	343	147,476
KENTUCKY	1,403	603,055	848	407,563	301	139,412	124	53,512	18	14,378	0	0
LAKEVIEW	4,741	2,034,546	3,268	1,435,843	652	271,722	327	97,378	134	138,265	280	128,345
MAINE	1,258	528,575	546	264,240	271	75,506	57	25,808	122	47,874	89	41,274
MARYLAND	2,524	1,243,727	1,343	770,184	517	216,291	284	121,219	380	168,717	17	6,977
MASSACHUSETTS	3,143	1,183,707	2,180	1,012,868	1,328	581,527	211	84,341	1,858	830,000	415	278,872
MICHIGAN	10,318	4,869,149	4,189	3,879,656	104	18,400	177	183,237	1,058	518,728	0	0
MINNESOTA	1,124	667,690	1,447	727,784	275	136,501	84	31,289	99	40,280	44	22,105
MISSISSIPPI	977	420,351	643	380,445	200	128,652	167	71,807	1	1,292	69	29,666
MISSOURI	4,102	1,763,614	2,959	1,276,842	935	446,150	145	74,576	425	264,413	1	0
MONTANA	625	268,712	447	192,180	80	38,693	78	31,607	14	8,018	0	0
NEBRASKA	742	319,125	414	177,890	165	75,040	82	27,386	30	40,844	5	2,107
NEVADA	332	99,746	177	76,709	18	8,479	12	2,229	21	2,438	5	2,430
NEW HAMPSHIRE	781	327,184	420	176,271	143	78,879	9	3,440	196	84,173	34	21,171
NEW JERSEY	8,824	3,853,587	3,870	2,106,739	181	971,765	754	417,561	2,380	798,437	519	280,106
NEW MEXICO	781	327,184	420	176,271	143	78,879	9	3,440	196	84,173	34	21,171
NEW YORK	12,156	5,187,521	8,363	4,757,098	1,708	1,454,859	878	428,421	3,852	2,128,873	852	488,667
NORTH CAROLINA	4,837	2,079,818	2,701	1,375,180	1,223	439,818	118	212,404	401	184,158	508	236,000
NORTH DAKOTA	189	253,234	102	272,856	11	47,713	5	1,448	41	18,487	0	0
OHIO	10,408	4,548,804	8,913	4,181,915	100	115,124	103	74,541	472	115,114	0	0
OKLAHOMA	1,446	621,883	826	358,792	463	171,455	107	34,807	51	11,548	39	18,897
OREGON	2,412	1,243,727	1,343	770,184	517	216,291	284	121,219	380	168,717	17	6,977
PENNSYLVANIA	12,118	5,187,521	8,363	4,757,098	1,708	1,454,859	878	428,421	3,852	2,128,873	852	488,667
REDE ISLAND	1,017	484,322	719	342,124	128	52,932	52	15,270	157	81,012	0	0
SOUTH CAROLINA	2,404	1,033,578	1,120	509,487	349	137,049	162	69,125	119	51,132	36	21,647
SOUTH DAKOTA	413	349,341	248	212,419	121	52,932	41	14,957	27	11,809	189	70,141
TENNESSEE	2,864	801,408	896	415,182	588	248,768	281	42,123	275	160,588	0	0
TEXAS	9,876	5,187,521	8,363	4,757,098	1,708	1,454,859	878	428,421	3,852	2,128,873	852	488,667
UTAH	878	327,184	420	176,271	143	78,879	9	3,440	196	84,173	34	21,171
VIRGINIA	1,354	618,518	720	318,428	36	40,794	17	4,720	47	20,207	80	34,885
VIRGINIA	2,864	1,243,727	1,343	770,184	517	216,291	284	121,219	380	168,717	17	6,977
WASHINGTON	2,864	1,243,727	1,343	770,184	517	216,291	284	121,219	380	168,717	17	6,977
WEST VIRGINIA	1,354	618,518	720	318,428	36	40,794	17	4,720	47	20,207	80	34,885
WISCONSIN	4,102	1,763,614	2,959	1,276,842	935	446,150	145	74,576	425	264,413	1	0
WYOMING	161	108,211	109	279,809	54	21,811	13	8,718	0	0	0	0
ZION	112	48,155	112	48,155	5	1	0	0	0	0	0	0
ARMED FORCES	1,714	121,687	884	241,486	288	128,121	0	0	54	10,217	217	82,087

ALLEGATIONS AND CHARGES BY HANDICAPPING CONDITION
 FOUNDED UNDER P.L. 94-142, ADDENDUM TO TITLE I, DATA, P.T. 1978

	TOTALS		MENTALLY RETARDED		DEAF OR HEARING		VISUALLY HANDICAPPED		EMOTIONALLY DISTURBED		OTHER HEALTH IMPAIRED	
	Children	Allegation	Children	Allegation	Children	Allegation	Children	Allegation	Children	Allegation	Children	Allegation
Alabama	1,281	\$ 634,273	527	\$ 149,115	136	\$ 289,234	222	\$ 111,267	139	\$ 30,058	27	\$ 8,965
Alaska	2,213	1,491,979	580	256,174	191	128,761	25	26,823	35	61,895	1,027	283,183
Arizona	1,178	582,376	158	278,403	461	231,704	218	62,513	36	12,784	0	0
Arkansas	3,776	1,569,182	1,096	436,004	336	136,215	182	75,218	101	107,579	113	47,378
California	8,081	3,283,227	2,915	2,119,891	858	583,923	120	68,312	1,073	579,888	114	57,908
Colorado	3,842	1,809,081	1,051	5,512,480	227	111,284	18	28,714	36	147,108	0	0
Connecticut	2,675	1,771,723	944	575,138	139	81,244	73	42,847	262	121,043	290	175,108
Delaware	1,416	1,385,446	1,113	668,462	660	837,468	147	50,418	100	82,570	492	95,128
District of Columbia	1,420	1,420,187	1,147	864,422	72	503,307	152	78,183	111	252,740	1	1,841
Florida	8,724	3,427,149	4,900	1,175,784	144	58,842	308	118,417	109	44,244	0	0
Georgia	2,311	877,430	1,073	441,904	71	207,363	14	10,171	14	10,171	0	0
Hawaii	407	424,087	414	219,187	145	88,182	14	10,171	14	10,171	0	0
Idaho	102	238,464	191	69,379	136	84,741	204	87,120	35	9,323	0	0
Illinois	21,216	12,427,763	4,336	3,442,771	1,425	1,441,360	672	389,374	4,847	2,314,484	4,714	2,819,462
Indiana	6,005	2,517,818	4,028	1,769,480	713	311,194	276	114,541	522	146,372	818	273,408
Iowa	1,282	734,183	183	208,218	313	208,218	113	66,552	140	39,484	44	17,790
Kansas	1,814	1,107,440	581	136,468	145	108,341	99	40,306	130	291,422	143	105,514
Kentucky	2,641	2,105,851	2,263	418,112	407	148,136	117	48,121	72	28,923	0	0
Louisiana	3,081	4,181,156	3,809	1,064,323	371	143,353	206	87,967	122	84,800	184	75,132
Maine	1,464	780,813	813	381,181	179	81,962	47	22,803	170	172,810	130	69,411
Maryland	3,891	2,147,438	1,119	1,109,641	119	830,321	318	151,512	814	70,848	128	99,284
Massachusetts	11,364	8,704,352	1,845	2,426,467	1,313	396,284	1,096	236,840	1,096	2,872,108	1,808	2,754,064
Michigan	12,165	7,104,104	17,094	6,914,778	243	118,813	148	100,739	148	60,154	0	0
Minnesota	1,323	781,930	1,361	594,435	181	128,472	54	33,281	74	30,385	0	0
Mississippi	1,181	817,034	819	379,413	428	177,863	132	54,811	8	2,495	117	42,367
Missouri	8,217	3,134,809	3,112	1,707,276	136	178,172	141	102,144	171	147,138	0	0
Montana	316	175,367	211	112,144	121	48,144	118	61,153	13	18,367	41	29,147
Nebraska	325	345,246	227	110,423	179	118,423	11	36,440	40	36,762	0	0
Nevada	875	417,449	711	143,106	179	118,423	11	36,440	40	36,762	0	0
New Hampshire	2,242	1,177,449	361	186,417	179	118,423	11	36,440	40	36,762	0	0
New Jersey	7,117	4,708,142	4,248	2,185,415	608	378,994	612	331,717	1,114	144,144	14	6,751,967
New Mexico	651	384,822	180	171,119	225	136,494	102	52,125	102	10,171	1	10,171
New York	18,415	12,217,510	8,405	6,859,490	1,817	1,007,898	1,084	241,438	1,194	1,134,143	1,111	1,883,131
North Carolina	8,861	3,281,738	4,962	1,942,437	1,198	1,072,862	514	156,115	1,111	484,413	501	140,449
North Dakota	104	294,323	514	1,107,276	136	178,172	141	102,144	171	147,138	0	0
Ohio	18,784	8,175,711	17,021	8,825,401	265	122,678	174	77,491	512	140,133	0	0
Oklahoma	3,423	597,132	896	450,181	313	142,147	127	70,809	43	22,862	44	22,862
Oregon	3,734	2,114,110	2,140	1,142,147	602	304,101	204	104,101	104	104,101	104	104,101
Pennsylvania	18,111	9,891,112	6,117	3,400,101	1,117	111,117	440	178,101	2,112	1,111,111	1,111	1,111,111
Rhode Island	474	177,464	179	118,423	100	100,101	40	22,171	100	100,101	100	100,101
South Carolina	2,809	1,114,111	1,117	817,101	413	111,111	100	100,101	100	100,101	100	100,101
South Dakota	144	141,111	100	118,423	100	118,423	100	118,423	100	118,423	100	118,423
Tennessee	1,104	300,101	719	218,104	401	100,101	100	100,101	100	100,101	100	100,101
Texas	18,111	8,877,144	8,814	3,814,101	1,111	1,111,111	1,111	1,111,111	1,111	1,111,111	1,111	1,111,111
Utah	1,141	474,101	144	144,101	100	100,101	100	100,101	100	100,101	100	100,101
Vermont	2,240	1,114,111	1,111	1,111,111	100	100,101	100	100,101	100	100,101	100	100,101
Virginia	3,104	2,114,111	1,111	1,111,111	100	100,101	100	100,101	100	100,101	100	100,101
Washington	2,817	1,111,111	1,111	1,111,111	100	100,101	100	100,101	100	100,101	100	100,101
West Virginia	1,100	144,101	811	101,101	100	100,101	100	100,101	100	100,101	100	100,101
Wisconsin	3,100	2,111,111	1,111	1,111,111	100	100,101	100	100,101	100	100,101	100	100,101
Wyoming	144	177,111	100	118,423	100	118,423	100	118,423	100	118,423	100	118,423
TOTAL	217,812	\$11,146,111	111,467	\$44,111,111	27,112	\$11,146,111	1,111	\$1,146,111	1,111	\$1,146,111	1,111	\$1,146,111

ADOLESCENTS AND CHILDREN BY STATE AGENCY
 FORMED UNDER P. L. 85-552, AMENDMENT TO TITLE 2, U.S.C. - P. L. 85-2

	TOTALS		MENTAL HEALTH		PHYSICIAN		OTHER	
	CHILDREN	ADOLESCENTS	CHILDREN	ADOLESCENTS	CHILDREN	ADOLESCENTS	CHILDREN	ADOLESCENTS
Alabama	1,281	2,826,015	1,221	1,897,879	—	—	430	247,155
Alaska	2,211	1,822,479	—	—	—	—	—	—
Arizona	2,178	580,476	410	476,479	10	38,004	410	210,801
Arkansas	1,770	1,140,181	410	751,836	5,001	1,249,527	—	—
California	8,000	1,200,127	1,000	600,000	—	—	—	—
Colorado	3,841	1,800,000	—	—	—	—	—	—
Connecticut	2,470	1,770,779	743	119,572	1,444	408,100	211	114,811
Delaware	1,454	1,000,000	1,270	745,000	—	—	—	—
D.C. of Col.	8,870	1,800,182	2,235	1,300,000	—	—	—	—
Florida	5,710	2,807,100	805	306,161	—	—	4,904	2,497,078
Georgia	2,552	877,420	821	364,155	1,730	104,200	—	—
Hawaii	807	426,007	161	546,777	159	81,710	—	—
Idaho	301	239,008	301	141,007	163	77,405	—	—
Illinois	21,710	12,807,761	17,470	10,312,340	—	—	4,240	1,700,402
Indiana	8,001	2,807,819	871	271,114	879	383,191	8,001	1,865,473
Iowa	1,242	706,181	100	312,718	—	—	—	—
Kansas	1,478	1,107,449	160	176,853	20	17,000	1,318	613,430
Kentucky	1,001	1,100,001	119	217,718	—	—	—	—
Louisiana	1,001	2,101,100	847	476,100	1,154	1,704,704	—	—
Maine	1,308	730,811	1,300	315,870	—	—	—	—
Massachusetts	1,801	2,847,438	1,811	700,111	—	—	—	—
Michigan	13,008	8,708,811	8,711	5,147,712	101	317,208	4,196	3,008,808
Minnesota	12,201	7,518,108	8,808	5,008,108	—	—	—	—
Mississippi	1,301	780,630	—	—	—	—	—	—
Missouri	1,301	657,811	100	101,100	40	18,118	—	—
Montana	1,301	2,100,100	1,301	1,301,100	—	—	—	—
Nebraska	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Nevada	1,301	1,301,100	1,301	1,301,100	—	—	—	—
New Hampshire	1,301	1,301,100	1,301	1,301,100	—	—	—	—
New Jersey	1,301	1,301,100	1,301	1,301,100	—	—	—	—
New Mexico	1,301	1,301,100	1,301	1,301,100	—	—	—	—
New York	14,811	7,127,011	13,310	5,417,065	51	14,104	—	—
North Carolina	8,801	3,200,101	1,401	801,101	111	34,001	7,299	2,867,004
North Dakota	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Ohio	13,701	8,710,711	801	300,870	20	13,101	—	—
Oklahoma	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Oregon	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Pennsylvania	13,711	8,710,711	7,110	4,110,800	30	20,810	6,591	5,410,510
Rhode Island	1,301	1,301,100	1,301	1,301,100	—	—	—	—
South Carolina	1,301	1,301,100	1,301	1,301,100	—	—	—	—
South Dakota	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Tennessee	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Texas	16,310	8,710,711	8,801	5,710,711	—	—	—	—
Utah	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Vermont	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Virginia	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Washington	1,301	1,301,100	1,301	1,301,100	—	—	—	—
West Virginia	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Wisconsin	1,301	1,301,100	1,301	1,301,100	—	—	—	—
Wyoming	1,301	1,301,100	1,301	1,301,100	—	—	—	—
TOTALS	113,811	113,800,700	100,547	100,547,000	11,801	113,800,700	20,811	113,800,700

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HANDICAPPED CHILDREN PROVIDED EDUCATIONAL SERVICES
UNDER P.L. 94-143
AT RESIDENTIAL AND DAY SCHOOL FACILITIES

Type of Program	FY 1966		FY 1971		FY 1972		FY 1973		FY 1974	
	No. of Children	Percentage	No. of Children	Percentage	No. of Children	Percentage	No. of Children	Percentage	No. of Children	Percentage
Residential (*)	60,805	98.7%	103,750	85.3%	104,056	78.9%	94,575	59.9%	91,614	55.1%
Day Programs	835	1.3%	17,818	14.7%	27,795	21.1%	63,422	40.1%	74,801	44.9%
Local educational agencies										
Totals	65,440		121,568		131,851		157,997		166,415	

Type of Program	FY 1975		FY 1976		FY 1977		FY 1978	
	No. of Children	Percentage	No. of Children	Percentage	No. of Children	Percentage	No. of Children	Percentage
Residential (*)	103,405	58%	99,987	53%	88,189	44%	89,251	40%
Day Programs	68,292	38%	70,061	37%	92,276	48%	110,489	49%
Local educational agencies	7,068	4%	18,030	10%	15,963	8%	24,082	11%
Totals	178,765		188,078		201,428		223,822	

U.S. RESEARCH AND DEVELOPMENT EXPENDITURES
1960-1978

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
A. Appropriation (in millions)	\$15,917	\$15,907	\$16,740	\$16,740	\$17,400	\$16,129	\$16,382	\$16,862	\$16,778	\$17,807	\$19,809	\$21,431	\$21,796
B. Amount Appropriated (in millions)	\$15,917	\$15,907	\$16,740	\$16,740	\$17,400	\$16,129	\$16,382	\$16,742	\$16,778	\$17,807	\$19,809	\$21,431	\$21,796
C. Amount Expended in Appropriation (in millions)	-	852	8,986	8,986	7,700	15,667	15,152	15,582	15,828	15,987	16,278	15,594	15,158
D. Percent Expended in Appropriation	-	5.35	53.74	53.74	44.28	97.18	92.48	92.98	94.59	89.80	82.20	72.76	69.58
E. Children Participating	42,400	54,700	87,300	86,800	110,500	111,300	111,800	117,800	119,800	126,700	138,000	142,800	141,800
F. Number Exposed in Children	-	15,355	4,550	8,110	18,050	21,050	20,200	20,100	19,800	21,150	21,150	21,150	20,100
G. Percent Exposed in Children	-	26.38	5.18	10.48	16.28	18.88	18.48	17.48	16.68	16.68	15.38	14.78	14.38
H. American Participating	88	115	124	115	120	115	116	120	117	120	116	117	116
I. Foreign Participating	436	537	768	773	1079	1452	1557	1662	1661	1767	2,093	2,314	2,308
J. Total Paid (in millions)	\$16,353	\$16,424	\$17,504	\$17,515	\$18,479	\$17,581	\$17,939	\$18,402	\$18,535	\$19,574	\$21,902	\$23,745	\$24,104
K. Amount Expended in Total	-	852	8,986	8,986	7,700	15,667	15,152	15,582	15,828	15,987	16,278	15,594	15,158
L. Percent Expended in Total	-	5.15	51.31	51.31	41.73	89.13	84.38	84.63	84.88	83.75	77.03	66.10	62.88
M. Total Paid, 1960-1978 (in millions)	\$16,353	\$16,424	\$17,504	\$17,515	\$18,479	\$17,581	\$17,939	\$18,402	\$18,535	\$19,574	\$21,902	\$23,745	\$24,104

STATE EXPENDITURES PER CHILD UNDER P.L. 89-313

	1972	1973	1974	1975	1976	1977
Alabama	\$429.94	\$463.00	\$326.53	\$365.04	\$414.15	\$415.57
Alaska	726.14	798.10	489.80	547.56	621.22	623.35
Arizona	429.94	463.00	346.68	380.14	463.48	463.48
Arkansas	429.94	463.00	326.53	365.04	414.15	415.57
California	429.94	463.00	402.24	443.68	507.93	507.93
Colorado	429.94	463.00	378.89	428.96	495.08	495.08
Connecticut	504.74	564.14	477.68	529.57	602.93	602.93
Delaware	498.21	521.88	483.28	525.00	584.49	584.49
Florida	429.94	463.00	350.61	397.42	494.61	494.61
Georgia	429.94	463.00	326.53	365.04	414.15	415.57
Hawaii	491.87	502.64	410.18	511.63	527.99	527.99
Idaho	429.94	463.00	326.53	365.04	414.15	415.57
Illinois	496.31	510.47	472.74	507.75	595.20	595.20
Indiana	429.94	463.00	353.98	389.21	435.94	435.94
Iowa	432.42	472.32	399.92	430.52	481.47	481.47
Kansas	429.94	463.00	376.63	424.28	487.42	487.42
Kentucky	429.94	463.00	326.53	365.04	414.15	415.57
Louisiana	429.94	463.00	337.85	366.19	416.96	416.96
Maine	429.94	463.00	327.29	365.04	419.82	419.82
Maryland	492.76	536.96	466.45	526.53	602.68	602.68
Massachusetts	447.11	468.56	436.67	462.90	568.33	623.35
Michigan	486.04	528.34	458.56	522.44	586.85	586.85
Minnesota	502.96	540.90	474.06	512.46	593.84	593.84
Mississippi	429.94	463.00	326.53	365.04	414.15	415.57
Missouri	429.94	463.00	354.82	391.32	437.24	437.24
Montana	429.94	463.00	385.88	443.69	515.39	515.39
Nebraska	429.94	463.00	380.10	420.13	483.49	483.49
Nevada	429.94	463.00	377.30	417.12	460.15	460.15
New Hampshire	429.94	463.00	352.39	394.44	442.22	442.22
New Jersey	567.65	617.04	489.80	547.56	621.22	623.35
New Mexico	429.95	463.00	329.08	365.76	417.30	417.30
New York	743.67	771.84	489.80	547.56	621.22	623.35
North Carolina	429.94	463.00	326.53	365.04	414.15	415.57
North Dakota	429.94	463.00	326.74	374.00	414.15	415.57
Ohio	429.94	463.00	368.47	404.20	447.71	447.71
Oklahoma	429.94	463.00	326.53	365.04	414.15	415.57
Oregon	478.56	517.49	449.24	497.46	571.54	571.54
Pennsylvania	454.78	516.76	477.00	514.86	580.21	580.21
Rhode Island	475.93	516.62	449.05	522.53	592.91	591.91
South Carolina	429.94	463.00	326.53	365.04	414.15	415.57
South Dakota	429.94	463.00	350.20	365.04	414.15	415.57
Tennessee	429.94	463.00	326.53	365.04	414.15	415.57
Texas	429.94	463.00	326.53	365.04	414.15	415.57
Utah	429.94	463.00	326.53	365.04	414.15	415.57
Vermont	429.94	463.00	391.34	444.43	508.56	508.56
Virginia	429.94	463.00	354.36	399.38	454.75	454.75
Washington	446.98	472.56	422.63	470.00	529.71	529.71
West Virginia	429.94	463.00	326.53	365.04	414.15	415.57
Wisconsin	475.28	514.46	435.62	477.52	545.11	545.11
Wyoming	441.00	504.62	438.95	468.63	538.86	538.86
District of Columbia	538.47	597.15	489.80	547.56	621.22	623.35
American Samoa	-0-	463.00	326.53	366.04	-0-	415.57
Canal Zone	-0-	524.00	487.58	-0-	-0-	-0-
Guam	429.94	488.94	387.05	525.76	621.22	623.35
Puerto Rico	429.94	463.00	191.84	191.34	193.61	193.60
Virgin Islands	-0-	568.10	420.90	420.90	563.23	563.23

PART III

SURVEY QUESTIONS

ANALYSIS OF RESPONSES FROM STATE AGENCIES

In an effort to build a data base the following letter was sent to every state agency with responsibility for P.L. 89-313 handicapped programs, as well as knowledgeable individuals, organizations and agencies throughout the country. This section summarizes the responses from state agencies to those questions. Each question has

a written summary, a chart where appropriate and excerpts from the letters received. It must be noted that because 89-313 funds are often administered by more than one agency within a state, more than one response was received from several states with each responsible agency stating a position. At times the various agencies did not agree in their responses to the questions and it was so noted in the summary.

THE LETTER

January 21, 1977

"As you know the Congress will be considering the extension of the Elementary and Secondary Education Act this year. It is intended that a thorough review will be given to all programs dealing with education of the handicapped. It is in this regard that I am writing to you with the hope that you can share your unique insights as the Congress considers what actions to take.

"In the near future it is anticipated hearings will begin on the extension of ESEA, the 89-313 provisions of Title I, the education of the Handicapped Act, and possibly PL 94-142. At this time there are no hard and fast proposals about what to do with any of these authorities, but many questions are being asked. I know how busy you are at this time, but if you and your staff could address the following questions it would be extremely helpful:

"I want to assure you that your answers will have wide circulation as they will be shared with those Education and Labor and Human Resources and Public Welfare Committee members from both parties, as well as their staffs. This will be done to guarantee that your responses will be widely read. The questions are as follows:

89-313

1. Should the 89-313 program continue exactly as it is? If your answer is "no," could you explain specifically what changes need to be changed and why?
2. What would happen in your state if the 313 provisions were removed and total funding ceased?
3. What would happen to your state if the 313 money was not state money but was federal money with PL 94-142?
4. What problems exist in your state in the present 313 program? Are there alternatives to the law, the original law, state administration, jurisdiction, etc.?
5. Do state appropriations do more to insure all handicapped children get education in all state approved institutions?
6. Do you have all funds from 313 going to what you want? Are there proposals to use the funds in different ways?
7. If there are any state agency concerns, 313 money, state law, etc. that differ between the various agencies?
8. Are the 313 monies spent on the education of children and adults? Are there any other uses of the funds that you are not aware of?
9. Does 313 expenditure really benefit state money to the extent that state dollars are kept in a separate account?
10. Does the 313 expenditure really benefit state money to the extent that state dollars are kept in a separate account?
11. Should Congress also consider the possibility of using state money to fund the 313 program, complete or in part? If so, how would you suggest it be done?

PART III

SUB-PART A

STATE AGENCY RESPONSES

QUESTION 1. SHOULD THE 89-313 PROGRAM CONTINUE EXACTLY AS IT IS? IF YOUR ANSWER IS YES, COULD YOU EXPLAIN SPECIFICALLY WHY? IF NO, WHAT NEEDS TO BE CHANGED AND WHY?

Question #1 was designed to determine exactly how PL 89-313 was viewed and to find the arguments for or against keeping the status quo.

Of the 52 state responses, 30 state agencies contended that some changes in the present law were necessary. The remaining 22, with qualifications, recommended keeping 313 exactly as it is. Most who advocated no change recognized that there is a significant amount of money in 313 and were concerned that changes could jeopardize the total appropriation.

It must be noted that the states of Alabama, Michigan, Utah, West Virginia and Rhode Island did not reply to this question.

OF THE 30 WHO RECOMMENDED CHANGES IN 89-313, THE FOLLOWING PROBLEMS OR RECOMMENDATIONS FOR CHANGE WERE CITED MOST OFTEN:

- (1) To eliminate confusion, competition, and jurisdiction of children at both the federal and state levels, it was felt that one authority, covering education for handicapped children rather than two (89-313 and 94-142) would help eliminate confusion and administrative problems. It was felt that state education agencies should be responsible for all educational services for handicapped within each state through one unified funding package.
- (2) The need to establish a clear process for transferring funds to a local education agency once a child leaves a state institution; many states contended that the "follow along" provision was "an auditing nightmare" and should be dropped.
- (3) The need to clarify what are "education costs". Does "education" include room, board and medical care?
- (4) The need for a separate allocation of money for use by state agencies for administration of this program.
- (5) 89-313 funds are given to states on a reimbursement basis and are received a year after actual services are provided. It was recommended that funding be current.
- (6) Change the manner in which money is distributed by eliminating the project application.
- (7) Simplify state project application procedures with one form, new budget procedures, evaluation, auditing and eliminate "general harassment and bureaucratic red tape."

OF THE 20 WHO WANTED THE PROGRAM KEPT AS IT IS, THE FOLLOWING REASONS WERE MOST OFTEN CITED:

- (1) This is the only program specifically designed for state institutions and without it it will be difficult to establish another equitable mechanism for getting money to them.
- (2) 89-313 monies provide enormous benefits to the delivery of services to severely handicapped children. Without these monies the programs provided would be minimal or nonexistent.
- (3) Through a separate funding source such as 89-105 there is better inter-agency cooperation and coordination at the state level. Without the separate dollars it would be difficult to coordinate.
- (4) Because 89-313 dollars are supplemental to the existing program, they give impetus toward the development and implementation of special programs that would not ordinarily be afforded handicapped children.
- (5) Severely handicapped children in institutions have traditionally been hidden by society. 89-313 funds should be kept separate as an incentive toward helping these children and keep the focus on them.

(6) The \$9-313 dollars make it possible to provide support services to very vulnerable groups such as the blind and the deaf without the Federal dollars would probably not be provided by states which will only provide money for basic educational services.

(7) \$9-313 is the only source of funding for handicapped children ages 0-3 and over the age of 18.

YES. THE P.L. 89-315 PROGRAM SHOULD
CONTINUE AS IT IS

Arkansas-State Department of Education
California-Department of Education
Connecticut-State Department of Education*
Florida - Health and Rehabilitative Svcs.*
Hawaii-Department of Education
Idaho-Department of Education
Iowa-Department of Public Instruction
Kansas-State Department of Social and
Rehabilitation Services
Kentucky-Department of Education
Massachusetts-Department of Education
Minnesota-Department of Education
Nevada-Division of Mental Hygiene and Mental
Retardation, Department of Education
New Jersey-New Jersey Commission for the
Blind
New York-State Department of Education
North Carolina-Department of Human
Resources*
Puerto Rico-Department of Social Services
South Carolina-Department of Education
Texas-Texas Education Agency
Virginia - State Board of Education
Washington-Superintendent of Public
Instruction
Wisconsin-Department of Public Instruction*
Wyoming-Department of Education*

NO. THE P.L. 89-315 PROGRAM SHOULD NOT
CONTINUE AS IT IS

Alaska-Department of Education
Arizona-Department of Education
Colorado-Department of Education
Connecticut-Department of Mental Retard.*
Delaware-Department of Public Instruction
District of Columbia-Public Schools of the
District of Columbia
Florida-Department of Education*
Georgia-Department of Education
Illinois-State Board of Education
Indiana-Department of Mental Health
Louisiana-Louisiana Health and Human
Resources Administration
Maine-Department of Education and Cultural
Services
Maryland-Department of Health and Mental
Hygiene
Mississippi-Department of Education
Missouri-Department of Elementary and
Secondary Education
Montana-Office of the State Superintendent
Nebraska-Department of Education
New Hampshire-Division of Mental Health
New Jersey-Department of Education*
New Mexico-Department of Education
North Carolina-Dept. of Public Instruction*
North Dakota-Dept. of Public Instruction*
Ohio-Department of Education
Oklahoma-State Department of Education
Oregon-Department of Education
Pennsylvania-Department of Education
South Dakota-Department of Education and
Cultural Affairs
Tennessee-State Department of Education
Vermont-Department of Education
Washington-Department of Health and Social
Services*

*Same state, different agencies which did not agree
in their responses

Following States did not reply to questionnaire:
Alabama, Michigan, Utah, West Virginia, Rhode Island

THE FOLLOWING ARE SELECTED RESPONSES FROM STATES WHICH FELT THAT P.L. 89-313 SHOULD NOT CONTINUE AS IT IS AND SHOULD BE CHANGED.

COLORADO-DEPARTMENT OF EDUCATION

Question: Should the 89-313 program continue exactly as it is? If your answer is yes, could you explain specifically why? If no, what needs to be changed and why?

Response: No, not under the current provisions of the Act. It is suggested that the Act be modified to (1) include adequate administrative funds for the state to properly assist other agencies in the development, implementation, supervision, and evaluation of programs assisted under the Act; (2) establish clearly the process to be set up in transferring funds to local educational agencies for eligible children transferred from other agencies; (3) clarification of the relationship to Part B of the Education of the Handicapped Act; (4) clarification of free related services, such as room, board, medical care, which are provided in an institutional residential care facility in which the child is placed by the state agency; (5) provisions be established for retaining funds in institutional programs faced with short term enrollments.

MISSOURI-DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

The 89-313 program should be removed from title I and made a part of an Omnibus Education of the Handicapped Law. The basic problem regarding the program exists because of dual administrative responsibilities in the Office of Education. The authority for the program comes under the Elementary and Secondary Education Act of 1965, title I. The rules and regulations promulgated for the general title I program applies to all 89-313 programs. It is administratively inefficient to assign responsibility for a funded program to a Division in the U.S. Office or at the state level which does not have the overall responsibility for such programs. Since the funds are made available to state agencies that have direct responsibility for the education of handicapped children, it would seem more appropriate to give all administrative responsibilities to the Bureau of Education for the Handicapped and totally eliminate the current affiliation with title I in the Office of Education. This would lend itself to a more orderly program which would have responsibility for the same or similar objectives, including the same statute or group of statutes.

OREGON-DEPARTMENT OF EDUCATION

The essential elements of P.L. 89-313 should be retained with the exception of modifying the provision that requires a child who has transferred to an LEA from a state program for the handicapped must be in "residence" in that district for at least one school year before he/she can benefit from these transfer funds. If the congressional intent was to de-institutionalize programs for the handicapped by offering an incentive for LEAs to develop their own programs or supplement existing programs, then it would follow that such funds should be made available at the time of the transfer. School districts are not even guaranteed reimbursement if they choose to provide such services and activities during the transfer year, because if the child has transferred to another school district when the LEA transfer funds become available, that district cannot claim reimbursement, while the second district the child transferred to can. In Oregon the number of children benefitting from P.L. 89-313 LEA transfer funds is no more than 5 percent of the total requested.

I would recommend that the funding capability of the LEA transfer funds be modified to allow for making monies available to schools one year earlier, i.e., during the transfer year. Such a modification would encourage the development of substantially more programs and services for the handicapped during a rather critical time in their educational adjustment, i.e., reintegration into a school district-based program.

NEW JERSEY-DEPARTMENT OF EDUCATION

No. This program should be collapsed into a unified funding package provided to State Departments of Education for the education of all handicapped children within the State. Legislators should consider some cross-over whereby the children counted under P.L. 89-313 would be put into the P.L. 94-142 head count. Hopefully, such a transition could be accomplished with a minimum amount of paperwork. We realize that the amount of funds currently made

available to handicapped children in State operated programs may be reduced if legislation were so enacted. Some type of save-harmless provision could be developed.

MONTANA-OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION

The 89-313 program in relation to the provision of Public Law 94-142 should not continue in the same way. The major problem that we have within this state is with those children who have left the state institution and were counted under 89-313. As a result they are not eligible for Part B Education of the Handicapped Act dollars. Since 89-313 has a year's delay in their monies following the child we essentially could not serve that child with either the Part B money or the 89-313 money in the immediate year unless the child is picked up by a local school district using state dollars.

If these programs were incorporated into one, our problem would be resolved.

GEORGIA-DEPARTMENT OF EDUCATION

The 89-313 program should not continue exactly as it is and, in fact, might be collapsed into P.L. 94-142 if there are assurances that former 89-313 funds will be held harmless under the 142 package.

THE FOLLOWING ARE SELECTED EXCERPTS FROM STATES WHICH FELT THAT 89-313 SHOULD CONTINUE IN ITS PRESENT FORM.

NEVADA-DEPARTMENT OF EDUCATION

Yes. Though minimal services are available through the Local Education Agencies for some mentally retarded, we will have no available educational services for the emotionally disturbed, the profoundly retarded or the physically handicapped children unless 89-313 funds continue.

NEVADA-DEPARTMENT OF MENTAL HYGIENE AND MENTAL RETARDATION

Yes, at this time no other education services are available to the clients that are currently being served under this program. Minimal speech and educational services are provided by the local school district. State funds are not available for these clients. Currently P.L. 89-113 provides daily living skills, academics and speech services to seriously emotionally disturbed and mentally retarded students.

KENTUCKY-DEPARTMENT OF EDUCATION

We recommend that the provisions of P.L. 89-313 remain as they are for a minimum of one more year. This recommendation is made with the understanding that possible revisions may be recommended in the future.

CALIFORNIA-DEPARTMENT OF EDUCATION

Yes. P.L. 89-313 should continue to operate as it is presently structured. Funds are made available under the PL 89-313 amendment of title I, ESEA, to state agencies that are responsible for, and do provide educational services to handicapped children in state-operated institutions and state supported schools. State agencies, such as departments of education, health, mental health, mental hygiene, and welfare are eligible to participate in this program if it can be documented that they are "directly responsible for providing free public education" for one or more of the types of handicapped children named in the law. This is the only program specifically designed for state institutions.

In spite of the fact that federal regulations have not yet been adopted for state operated programs for handicapped children (proposed federal regulations issued 11 April 1978), we have been able to interpret and to implement the Federal Regulations for Financial Assistance to Local Education Agencies to Meet the Special Education Needs of Educationally Deprived, Neglected, and Delinquent Children (9/28/76). This has meant title I funding for all children enrolled in our six state special schools, which is the intent of Congress.

The law specifies that funds paid to a state under Part 8 may not be made available to any school for handicapped children eligible for assistance under P.L. 89-311. Likewise, children eligible to participate in programs funded by Part 8 cannot be included in reporting average daily attendance for the purpose of determining P.L. 89-311 state agency allocations, although under certain circumstances "Part 8" children may participate in P.L. 89-311 projects.

It is clearly the intent of Congress that all handicapped children receive appropriate instruction and services wherever they may be enrolled -- in state, local, or private facilities. Since P.L. 89-311 and Part 8 are designed to benefit children and not schools, every handicapped child within a state is eligible to receive benefits under one or the other of these legislative provisions [20 USC 241(a)(5); 20 USC 1413(a)(9)].

Recommendations for Change

The most serious problem with the current funding structure of P.L. 89-311 funds is the absence of provisions for inflation adjustments. Programs are attempting to maintain certain supplemental programs and services each year with decreasing levels of support which results in reduction of the quality or scope of certain components.

ILLINOIS-STATE BOARD OF EDUCATION

Title I, 89-311 funds have had an enormous benefit in the delivery of services to severely handicapped children in Illinois. Without these monies, programs would still be providing minimum program and/or no programs at all. Even with the State of Illinois having mandated programs for all handicapped children from 1-21, without 89-311 funds, all children would be faced with program cutbacks and the lack of appropriate educational services. If 89-311 funds were repealed, all programs for handicapped children would take a large step backwards.

The major concern the State of Illinois has in regard to the operation of title I, 89-311, is the present set of proposed rules and regulations. As they are stated now, the interpretation is left up to the individual agency and/or project to define the extent or flexibility of services. The projects can deviate from one extreme to the next and be on legal ground as it now applies to interpretation.

As programs presently operate, one project will provide no direct services as they interpret the regulations and another project will view the regulations to mean direct service has to be the majority of expenditures. It is of the utmost importance that closure occurs quickly on the final regulations for 89-311.

VIRGINIA-STATE BOARD OF EDUCATION

Yes. The 89-311 Programs provides additional services & programs in state operated hospital and institutions. It is these clearly defined and offer services for handicapped children that have not traditionally been found in the local school divisions.

The treatment of 89-311 programs as a separate funding source flowing from the SEA to State operated facilities and to local school divisions creates better inter-agency cooperation, some of the special educational needs of such children, which were not being met, is now being met. Through 89-311 these children that are excluded entirely from the public school system and would not go through the educational process with their peers, will not have some chance to enjoy an adequate education.

WYOMING-DEPARTMENT OF EDUCATION

Yes. The set-aside funds as administered by the State Department of Education can adequately be coordinated so that handicapped children will receive service to which they are entitled under provisions of the statute.

SOUTH CAROLINA-DEPARTMENT OF EDUCATION

The existing federal legislation for the P.L. 89-313 program has had a very positive effect on the kinds of special education services that handicapped children in state agencies receive. The fact that the 313 program is supplemental to the existing educational program gives the impetus toward the development and implementation of special programs which would not ordinarily be afforded to such handicapped children. As I view it, the whole educational program for such handicapped children has not only been improved by expanded as well. In some instances special programs initiated with P.L. 89-313 funds have become funded with additional state appropriated funds. The reason is that some programs which were initiated as being supplemental a few years ago have proved to be essential to the current basic on-going programs.

MASSACHUSETTS-DEPARTMENT OF EDUCATION

Your first question was "should the 89-313 program continue exactly as it is?" If you had asked this question a couple of years ago, I would have answered "no". However, with the recent changes that were made in 89-313, allowing funds to follow children when they move from institutions to public schools, we would strongly endorse continuing the 89-313 program in its present form and substance. In 24 years of implementing Chapter 766, it continues to amaze me that the children who are always the last to benefit are those who have historically always been those who have been institutionalized and hidden from society. Part B funds still do not represent sufficient enticement by themselves to motivate public school people to receive children from institutional settings. The 89-313 funds, however, do provide some significant support and if we can continue this program for a few more years, I believe that we will have "emptied" all of our children from the horrors of institutional living to reasonable and decent programs in the community.

For a long time, 89-313 funds became an incentive to keep children in state operated or state supported facilities. It would be unfortunate now that the important changes have been made to cut short the wise reversal of an historic trend to provide fiscal incentives for keeping children hidden. I strongly support the present form and substance of 89-313 and would urge that it not be tampered with until Part B funds reach a level that would represent comparable funding.

THE FOLLOWING STATES SUBMITTED RESPONSES FROM TWO DIFFERENT STATE AGENCIES. THE RESPONSES SHOW A DISCREPANCY IN HOW 89-313 IS FUNCTIONING:

NORTH CAROLINA-DEPARTMENT OF PUBLIC INSTRUCTION

So, Public Law 89-313 should become an amendment to Public Law 94-142 but with no lower level of funding of present services. This would help to implement a continuum of special education programs and services and a deinstitutionalization plan that would be coordinated with the state and local education agencies.

NORTH CAROLINA-DEPARTMENT OF HUMAN RESOURCES

In the opinion of this office the 89-313 program should continue as it is. The only issue of clarification centers around the expenditure of P.L. 89-313 funds. For instance, P.L. 94-142 seeks to identify all children who are handicapped and who may or may not be receiving an appropriate education. As you are aware, children counted under 89-313 may not be included in the count for P.L. 94-142; therefore, confusion centered around "who may count whom for what" will most likely become problematic.

NEW JERSEY COMMISSION FOR THE BLIND AND THE VISUALLY IMPAIRED

I feel very strongly that the Whellie should be continued. This additional funding has greatly strengthened and improved educational programs for severely visually impaired children in New Jersey. Before its inception, many children were inappropriately placed in residential schools for the blind and those for whom such placement was required, frequently failed to receive adequate services. Itinerant teachers serving blind and partially sighted students in local day programs had such large caseloads that tutorial services were inadequate and needs were frequently overlooked. Blind children were frequently denied

opportunity to take desirable or essential courses especially in physical education, home economics, shop and chemistry. Mobility instruction could only be provided to older students. Instructors spent unnecessarily large amounts of time on clerical type paperwork and field supervision of professional staff was clearly inadequate. Teachers with blind children in their classes were not given enough assistance regarding the nature of their students' visual impairments and how they should be dealt with or what kinds of special assistance and materials were available to them. Severely multi-handicapped blind children were denied the opportunity to attend the summer camping programs for blind. Textbooks in braille and large print necessary for keeping up with sighted peers were frequently delayed for long periods in the mail and equipment such as typewriters and tape recorders damaged.

All of these problem areas were corrected or vastly improved through the title I project.

NEW JERSEY-DEPARTMENT OF EDUCATION

No. This program should be collapsed into a unified funding package provided to State Departments of Education for the education of all handicapped children within the state. Legislation should consider some cross-over whereby the children covered under P.L. 89-311 would be put into P.L. 94-142 head count. Hopefully, such a transition could be accomplished with a minimum amount of paperwork. We realize that the amount of funds currently made available to handicapped children in state operated programs may be reduced if legislation were so enacted. Some type of save-harmless provision could be developed.

CONNECTICUT-DEPARTMENT OF EDUCATION

Yes, I would like to see 89-311 continue. It provides needed funds to agencies and institutions serving the most severely handicapped children in our state. Many valuable program practices now in existence would not have been possible without the testing and exploration of innovative ideas which 89-311 encouraged.

One area that could be changed is in the area of regulations, which should be given more "teeth" for enforcement. For example, if a project has been funded on whatever acceptable basis, i.e., innovation/exploration, or other, and after two or three years proven itself as valuable, then instead of continuing funding the same project on a maintenance basis, regulations could specifically prescribe that funding could not continue after a certain number of years. Thus the state would have to either absorb the project activities and staff on its own or design another project acceptable in terms of regulations.

Another suggestion for change could be to have the wording of the regulations more precise as far as the kinds of project activities that can be funded.

CONNECTICUT-DEPARTMENT OF MENTAL RETARDATION

No. The existing provision that forces title I monies to leave the institution and follow a child into a local education agency should be repealed. It would significantly improve the quality of institution educational services, and simplify financial accountability of all handicapped children in public schools were covered under Public Law 94-142, and all children educated in state operated and supported institutions were covered under Public Law 89-311.

MINNESOTA-DEPARTMENT OF HEALTH AND SOCIAL SERVICES

No, I do not feel that P.L. 89-311 should continue exactly as it is. In our opinion the area of responsibility within the Department of Public Instruction is "too much" to be retained. It is my impression that the monitoring of this job should be the responsibility of the Division for Handicapped Children of the Bureau for Exceptional Children (BEC), which is, rather than the Division of Institutional Services (DIS), Bureau for Special Educational Programming (BSEP).

The rationale for this suggested change is reflected in that DIS, BEC, is responsible for the education of exceptional children in the State of Minnesota whereas the DIS, BSEP, is not represented with respect to the education of exceptional children.

DHC does have the expertise plus a greater sensitivity with respect to the efforts in attempting to provide educational programs in state residential facilities and day service centers. In my opinion, this change is paramount. Secondly, it appears to me the degree of autonomy that exists within the state educational agency (SEA) is entirely too great and that participating state agencies such as ours, the Department of Health and Social Services (DHSS), do not have access to the Administration in Washington in order to present our views from our perspective as it pertains to interpretations and rulings relating to P.L. 89-313. Should the transfer of monitoring responsibilities be moved, this area of concern would not be as crucial as it is at this particular time.

Another factor of major concern is the administrative control. If one reviewed the administrative manual, it indicates after initial approval of applications by the SEA that the participating state agency should be exercising the administrative control. It appears to me that this would be an extremely expeditious move and would definitely reduce amounts of paperwork involved. Needless to say, decisions made by the participating agencies would be shared with the SEA and should there be a disagreement, it could certainly be resolved, but I really feel that the decision-making process, once applications are approved, should be within the hands of the participating state agency.

WISCONSIN-DEPARTMENT OF PUBLIC INSTRUCTION

Yes--P.L. 89-313 provides funding for programs where there is no other source of funds, that is, 0-3, out of school and over age 18 and also exts that are otherwise not available in institutional settings.

THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES OF THE STATE OF WISCONSIN SENT LETTERS TO MANY INSTITUTIONS WHICH HAD RECEIVED 89-313 MONEY. THE RESPONSES OF THE INSTITUTIONS REFLECT THE PROBLEMS WHICH RECIPIENTS FEEL EXIST IN THE STATED PROGRAM. THE FOLLOWING IS A REPRESENTATIVE SAMPLE OF THE WISCONSIN RESPONSES:

UNIFIED SERVICES-NEILLVILLE, WISCONSIN

The most serious problem is the fact that previous experience with Title I funding had indicated that procedures and policies which are in existence at the time of applying for grants change rather often during the life of a grant without procedures and ability to respond to change. This has resulted in disallowance of valid and rapidly accepted previous expenditures for which local funding must be found to make up the difference.

OPPORTUNITIES INC. OF DEPPERSON COUNTY-ROSE ATKINSON, WISCONSIN

We were most dissatisfied with the bureaucracy, red tape that we had to go through in the past for Title I funding and quite frankly found the amount of paperwork, confusion, etc., was not really worth the amount of funding that was received.

LOST RIVER SCHOOLS, INC.-WATSON, WISCONSIN

The prime objection which I, personally, had to the program was the manner in which the accounting of funds was handled. I have had considerable accounting experience and the system and forms were so confusing to me as apparently they were to the accounting personnel in Madison. The multiple changes and corrections, not to mention the phone calls for clarification, produced severe headaches and were extremely time consuming.

DEVELOPMENTAL DISABILITIES CONSULTANT, WESTWATER DISTRICT-WISCONSIN

In attempting to help them interpret direction, format and appropriate application procedure, there appears to be some general ideas that are difficult to deal with. It appears that in many instances directions are not conclusive, budgets are difficult to understand, general harassment from the amount of paperwork is evident, and it is hard to comply with Title I rules and regulations as they seem to change very frequently.

PORTAL PROGRAM, INC.-RAPID, WISCONSIN

It would appear from my somewhat limited knowledge and experience in the subject matter, that the Title I program has somewhat itself with respect to agencies, like mine. This probability, however, does not absolve our need for continued auxiliary sources of funding, but does remind us a danger in our potential for program growth and expansion.

MADISON WISCONSIN ASSOCIATION FOR RET. CITIZENS

On one occasion present at a District meeting, "Title I is making a lot out of us." "We receive are interested in the proposal" I submitted and what was approved? "I must report on what they think I should be doing, not on what I'm doing, and what needs to be done."

CHWATON WISCONSIN IN GREEN WALLOREN BAY, WISCONSIN

It was my recommendation that the State bring the Title I program and its procedures and staff back again making one governmental agency responsible for, control, review of the program.

QUESTION 2. WHAT WOULD HAPPEN IN YOUR STATE IF THE 313 PROVISIONS WERE REPEALED AND TOTAL FUNDING CEASED?

Since P. L. 94-142 requires that all handicapped children in a state receive a free and appropriate special education designed to meet his or her needs, this question was an attempt to find how state agencies would shift existing state resources and/or provide additional monies to accommodate the P. L. 94-142 mandate and at the same time provide new funding to cover the existing 89-313 federal outlay. While this question was designed to find out how, if total federal funding ceased, these programs would be covered, and it was also an attempt to find out how essential the 89-313 programs were in the eyes of state officials. The answers were surprising.

It should also be noted once again that answers were received from more than one agency within some states.

The responses received from the majority of states indicated that if money were to be totally cut off, programs would be reduced, terminated, or require a shift of other available institutional resources to carry on the existing programs without 313 funds. Some states did feel that 89-313 programs would probably continue although it would be difficult to find funds.

Of the 57 who responded to the question, 31 claimed that the programs provided by 313 would be reduced in some way and that a substantial amount of money would be lost. 18 claimed that supportive programs would be lost and simply would not exist.

The following is what states project as the effect of a total repeal of 89-313 and total cessation of funding:

1. The handicapped in state operated and state supported schools would receive little beyond basic educational services and in many cases services would be discontinued.
2. Supplemental services would cease or be drastically curtailed. Disruption in some instances would end, as in speech therapy, physical therapy, occupational therapy, remedial reading, language development, mobility training for the blind, behavior modification, and other supportive services. Monies for equipment, supplies, and consultative services would be eliminated.
3. Out-of-state handicapped in day service programs would be hurt. Post-school programs for handicapped would be drastically cut.
4. Monies would have to be made up through straitening of regular state agency budgets.
5. It would affect instructional and support staffs. Unreasonable number of professional and paraprofessional staff would be eliminated (developmental aides, audiologists, psychologists, speech therapists, health persons, administrators).
6. The process of returning children from institutions to the community would be hampered.
7. There would be higher pupil-teacher ratios.
8. State operated and supported agency programs would have little incentive to operate beyond present levels.
9. Unavailability for paying employment costs to project staff would be a problem.
10. There would be less intercommunication in the programming.
11. There would be a drastic reduction in innovative existing programs and new existing programs.

THE FOLLOWING STATE AGENCIES NOTED
THAT PROGRAMS WOULD BE REDUCED IF
TOTAL FUNDING STAYED

Arizona
Arkansas
California
Washington
Florida
Georgia
Hawaii
Idaho
Indiana
Iowa
Maine
Maryland
Massachusetts
Mississippi
Missouri
New Hampshire
New Jersey *
New York
Oklahoma
Oregon *
Pennsylvania
Rhode Island
South Carolina
South Dakota
Texas
Vermont
Virginia*
District of Columbia
Wisconsin
Wyoming
Connecticut

THE FOLLOWING STATE AGENCIES NOTED
THAT SUPPORTIVE SERVICES WOULD BE
LOST AND WOULD NOT EXIST

Arkansas *
Colorado
Illinois *
Louisiana
Kansas
Nebraska
New Jersey *
Nevada
North Carolina
North Dakota
Ohio
Oregon *
Puerto Rico
Tennessee
Virginia
Wyoming *

OTHER

Only Funds Would
Be Lost:
Delaware
New Mexico

Both Alaska and
Minnesota indicate
that funding is
essential to con-
tinue services,
but services would
continue.

* State agencies from the same state with different regions or
* Some services would be reduced and some would be eliminated

Following states did not reply to this question: Michigan, Ohio, West Virginia, Rhode
Island, Kentucky, & Alabama

THE FOLLOWING ARE EXCERPTS OF RESPONSES INDICATING WHAT WOULD HAPPEN SHOULD 89-313 FUNDING CEASE:

ALASKA-DEPARTMENT OF EDUCATION

Funding of approximately \$660. per student would be cut off. However, those students funded under P.L. 89-313 would be brought under P.L. 94-142. Those programs that are meritorious would possibly be funded under State grants. Obviously funding is essential under either P.L. 89-313 or P.L. 94-142 to ensure programs that are supplemental.

CALIFORNIA-DEPARTMENT OF EDUCATION

California would lose approximately \$3,900,000 in supplementary educational services to handicapped children in state institutions. State agencies would probably be forced to (a) return to higher pupil-teacher ratios as a result of having to lay off teachers, aides, graduate student aides, and student aides; (b) reduce the amount of direct instructional supplies purchased for handicapped children; (c) totally eliminate supplementary services.

The state special schools would lose \$652,031 in supplementary educational services. It would result in a reduction of teachers' aides, staff development and inservice activities, resources such as media materials, instructional aids for the classroom teacher and computerized instruction. It would greatly reduce the supplementary services that have been so beneficial to handicapped children in our six special schools.

COLORADO-DEPARTMENT OF EDUCATION

Most educational programs operated by the Department of Institutions would simply not exist.

CONNECTICUT-DEPARTMENT OF MENTAL RETARDATION

The answer to this question depends greatly on the outcome of a proposed bill, currently being considered by the Connecticut legislature, that would make the State Department of Mental Retardation a special school district. Passage of this bill would make the Department eligible for P.L. 94-142 funds, and would thereby lessen the effect of the repeal of P.L. 89-313. However, if the Department of Mental Retardation does not become a special school district, the repeal would seriously affect the programming of all severely and profoundly retarded children in Connecticut. Presently, 119 instructional and support staff work under 89-313 to significantly enhance the quality and individuality of education for 1,089 mentally retarded persons under the age of 21.

CONNECTICUT-STATE DEPARTMENT OF EDUCATION

Approximately 1.8 million in aid would have to be made up through an adjustment of various state agency budgets.

GEORGIA-DEPARTMENT OF EDUCATION

If 313 provisions were repealed and total funding ceased, approximately 2,453 institutionalized youth will not be provided the current supplemental services they are receiving. Instead, only a bare minimum of services would be provided.

HAWAII-DEPARTMENT OF EDUCATION-INSTRUCTIONAL SERVICES

Contracting for speech therapy services will be eliminated.

HAWAII-DEPARTMENT OF EDUCATION-EXCEPTIONAL CHILDREN SECTION

a) Educational services at Waimano Training School and Hospital will be cut by 1/3; b) 89-313 schools will lose educational assistance and some teachers, and will not be able to conduct summer school programs and provide supplemental materials and equipment needs.

IDAHO-DEPARTMENT OF EDUCATION

Supplementary programs at our State institutions would be discontinued without the 89-313 resources. In some cases, the academic portion of educational programs would no longer be operational.

ILLINOIS-STATE BOARD OF EDUCATION

Title I, 89-313 funds have had an enormous benefit in the delivery of services to severely handicapped children in Illinois. Without these monies, programs would still be providing minimum program and/or no programs at all. Even with the State of Illinois having mandated programs for all handicapped children from 3-21, without 89-313 funds, all children would be faced with program cutbacks and the lack of appropriate educational services. If 89-313 funds were repealed, all programs for handicapped children would take a large step backwards.

INDIANA-DEPARTMENT OF MENTAL HEALTH

If P. L. 89-313 money and legislative authority were removed from our state agency, there would be little to motivate our state operated and state supported agencies to upgrade programs beyond present levels. Likewise, a tremendous burden would be placed upon the agencies, both state and local, to seek alternate funding sources. This would be especially true for preschool children. Currently, the mandatory special education law excludes the preschool and post school handicapped child from benefits of the public school and P. L. 94-142. There is a bill before the state legislature now to extend it to cover these children in 1980, but it is doubtful if it will pass. I do not want to undercut the resourcefulness of this department, but the accomplishments of P. L. 89-313 have left an impact on local programs that would have not been otherwise possible.

IOWA-DEPARTMENT OF PUBLIC INSTRUCTION

The total elimination of this program and the funding it provides would adversely affect this State's ability to provide a quality educational program for those handicapped children in residence at state operated and supported institutions and schools. Historically, the financial support for a comprehensive educational program in these facilities has been marginal if not inadequate. Thus, the total loss of these funds could bring about a serious reduction in quantity and quality of educational services available to these children.

KANSAS-STATE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

We feel that 89-313 should continue as is as we are receiving and possibly would continue to receive more funds in this fashion than we would under 94-142. If it were repealed we would lose approximately \$400,000 just on the mental retardation side and many of our children would not be in adequate educational programs. Not having worked out a contract with public schools, we are not certain what benefits 94-142 will be to the children in our institutions.

LOUISIANA-HEALTH AND HUMAN RESOURCES ADMINISTRATION

If the provisions of P. L. 89-313 were repealed and funding ceased, the educational programs at the state residential schools and state supported programs would suffer greatly. P. L. 89-313 funds are used solely to provide direct services to handicapped children, supplementing those educational services provided by the state. Many of the existing services would not longer be available to handicapped children due to a shortage of state funds.

MAINE-EDUCATION AND CULTURAL SERVICES

The children in State operated or supported schools would receive little beyond minimal basic education services.

P. L. 89-313 funds have been essential to the effectiveness of State operated and supported institutional programs. They have greatly helped to alleviate institutionalization. The programs, combining both educational and pre-vocational elements have helped children focus on their individual needs. It has allowed them the opportunity to develop skills and self confidence previously unattainable.

The categorical nature of the P. L. 89-313 funding has allowed each school unit to propose projects based on an individualized assessment of the child's education need, rather than on the basis of available fiscal resources after all other non-educational priorities have been met.

MARYLAND-DEPARTMENT OF HEALTH AND MENTAL HYGIENE

The lack of a categorical program to specifically address the supplemental needs of institutionalized and non-public educational facilities would be disastrous. The state provides only basic minimal education in these facilities, where the most handicapped children are provided an educational program. There would be only a basic minimal education program for the most severely handicapped child.

MASSACHUSETTS-DEPARTMENT OF EDUCATION

Your second question was "What would happen in Massachusetts if 89-313 provisions were repealed and total funding ceased?" I believe that if that happened, the process of returning children from institutions would be severely hampered. This money has provided the Department of Education with a strong weapon for breaking down the barrier to community living for children. It should be noted that in the past year we have been able to reduce the number of children in our state schools by almost 20%. While there are other efforts that have significantly contributed to this movement, 89-313 has been an important component. If it were repealed, and funding ceased, I think we would continue the process but it would be slowed down significantly. Instead of being able to anticipate all of our children receiving community programs within a matter of 2 - 3 years, we could be talking about an extended period of time exceeding 5 years.

MINNESOTA-DEPARTMENT OF EDUCATION

Because state and federal laws require that handicapped children be provided an appropriate educational program, it is likely that the services currently provided would continue. However, the state and local districts would have to find \$777,000 in new money to continue the services. As you know, this would be a difficult task.

MISSISSIPPI-DEPARTMENT OF EDUCATION

Repealing of 313 would have a tremendous impact on the educational services to children in our institutions. Considerable staff, both professional and para-professional, equipment and support materials would be eliminated from the over-all program. The loss of services to handicapped children would be substantial.

MISSOURI-DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

Serious hardship would result in the eligible state agency schools on at least two counts:

- (a) The most severely educationally deprived children would no longer have access to supplementary programs and services which are badly needed; and
- (b) Substantial numbers of staff members would no longer be needed, thus creating serious personnel adjustment problems.

Currently, close to one million dollars is budgeted under Title I to provide services to children enrolled in the state programs for severely handicapped children. Should the 89-313 funds be repealed, the Department of Elementary and Secondary Education would be in the position of either requesting additional state funds to assume the cost of the program or completely terminating the services to these children. As a result of the termination of 89-313 provisions and the subsequent acceptance by the state program, the possibility of a serious reduction in the quality and quantity of educational services provided in the State Schools would exist.

NEVADA-DEPARTMENT OF EDUCATION AND THE NEVADA-DEPARTMENT OF MENTAL HYGIENE AND MENTAL RETARDATION

If funding totally ceased, over 160 seriously emotionally disturbed and mentally retarded clients would receive minimal or no special education services.

NEW HAMPSHIRE-DIVISION OF MENTAL HEALTH

A major portion of 313 funding is used by the state institution, and were the provisions repealed, it would have a fairly dramatic impact on the institution. This would be one federal action that is counter productive to deinstitutionalization. While it is desirable to improve the lot of institutions, unless we make comparable provisions for community agencies that can serve the same clientele, we tend to make the institution more desirable placement.

NEW JERSEY-COMMISSION FOR THE BLIND AND THE VISUALLY IMPAIRED

Catastrophic! With the state economy in such straits and the threat of cutbacks everywhere, I cannot imagine that the total or even a sizeable part of the 89-313 Project would be picked up.

NEW JERSEY-DEPARTMENT OF EDUCATION

Much needed educational services in state operated programs would be curtailed in the areas of direct and indirect educational services. The ratio of instructors to pupils would increase dramatically. Many necessary supplemental services would be entirely curtailed.

NEW YORK-STATE EDUCATION DEPARTMENT

Should this occur, in many of the approved schools, all supplementary services including summer programs would cease. In schools operated by the Department of Mental Hygiene and the Department of Health, the Public Law 89-313 monies which would have been used to decrease the teacher-pupil ratios will force these schools to increase class size thus decreasing instructional benefits to the children.

NORTH CAROLINA-DEPARTMENT OF HUMAN RESOURCES

The occurrence of such a motion would be devastating to many of North Carolina's programs serving mentally retarded children through the Division of Mental Health Services. Our office currently serves 3,568 children with 89-313 funds on a budget of \$1,477,687 and anticipates serving 3,169 children in fiscal year 1978 with an anticipated budget of approximately \$1,515,384. Those served include residents of four regional mental retardation complexes, and eighty developmental day centers. Approximately 100 employees would be directly effected if this funding was ceased, and thousands of dollars provided for equipment, supplies, and consultative services would be relinquished.

NORTH CAROLINA-DEPARTMENT OF PUBLIC INSTRUCTION

Approximately 6,000 students now benefit from the 313 funding services. More than 260 personnel are employed from 313 funds. A disruption in these services would mean an end to speech therapy and physical therapy in most of the developmental day programs which are community based, special remedial reading programs in the institution, mobility training for the blind, behavior modification, and other support services.

NORTH DAKOTA-DEPARTMENT OF PUBLIC INSTRUCTION

The state schools would suffer loss of the funds and would discontinue the services provided by 313 funds.

OHIO-DEPARTMENT OF EDUCATION

If 89-313 funds ceased, many students would lose supportive services such as occupational therapy, language development, physical therapy. A smaller number of students at the pre-school level would go without any service. The responsibility for paying unemployment costs to project staff poses another problem should funding cease.

OKLAHOMA-STATE DEPARTMENT OF EDUCATION

Repeal of 313 provisions at this time would be catastrophic. Most States, including Oklahoma are making major efforts to meet the intent of P.L. 94-142 and the implications of Section 504 of the Vocational-Rehabilitation Law. With 94-142 funds at a very low figure, states and local education agencies are pressed to meet the requirements of the law. If required to pick up the present 313 funding, most states would not be able to survive. As 94-142 funds increase (if they do so according to the authorization) 313 could probably be phased out when full funding for 94-142 is realized.

OREGON-DEPARTMENT OF EDUCATION

The consequence of discontinuance would be that: About 300 trainable mentally retarded preschool children and their parents would have no special education programs and services whatsoever;

More than 500 sensory impaired (deaf and blind) and physically handicapped preschool and school aged children served by Regional Facility Programs would either receive minimal supportive services or, in some cases, none at all.

PENNSYLVANIA-DEPARTMENT OF EDUCATION

To put it quite bluntly complete disaster. Of those programs operated by the Pennsylvania Department of Education, the most severely hurt would be the residential schools for the blind and the deaf. In the programs operated by the Department of Public Welfare, summer educational programs in state-owned institutions would cease and many community based infant stimulation and pre-school programs would be badly injured. Not only would our handicapped children lose programs, but the state would lose a highly valuable resource.

PUERTO RICO-DEPARTMENT OF SOCIAL SERVICES

If this happened, 75 persons would be unemployed and thousands of children would be without services and proper education.

SOUTH CAROLINA-DEPARTMENT OF EDUCATION

If the 313 provisions were repealed and total funding ceased, there would be a tremendous negative impact on the kind of educational services handicapped children in state agencies would receive. The current on-going basic educational program would have to be diluted to the extent that it would be difficult, without other financial resources, to offer the minimum educational program. For example, in looking at a social adjustment activity for children who are severely and profoundly retarded with the support of 313 funds the teacher-pupil ratio is 1-3 and meets for 45 minutes daily. Without 313 funds the activity may be revised to a class meeting three times a week with a teacher-pupil ratio of 1-6. In addition to the dilution of many regular programs, other 313 supported programs would probably have to be discontinued without additional financial resources available.

SOUTH DAKOTA-DEPARTMENT OF EDUCATION AND CULTURAL AFFAIRS

Loss of \$341,000. Drastically influence, in a negative way, the quality of the special education programs within our state facilities.

TENNESSEE-STATE DEPARTMENT OF EDUCATION

If 313 provisions were repealed and funding ceased, many institutionalized children would be deprived of many of the educational and related services they are presently receiving.

TEXAS-TEXAS EDUCATION AGENCY

Should the funding provided by P.L. 89-313 be discontinued, there would be an increased burden placed on the taxing ability of the state to provide the majority of the services now paid from this source. The program effectiveness would be drastically reduced.

VERMONT-DEPARTMENT OF EDUCATION

The repeal of 89-313 and the cessation of funding would have a major impact on the education of children in state operated institutions in that a major part of their education is provided through these funds. Title I makes it possible for these institutions to expand and improve on the basic services provided by the state. In state supported programs, Title I makes possible a higher degree of individualization of instruction and a more comprehensive array of instructional and related services.

VIRGINIA-STATE BOARD OF EDUCATION

If funding ceased in the State of Virginia, many good programs would also cease; programs that are assuring the handicapped child an equal educational program. A number of staff members would immediately be affected through the loss of positions; teachers, developmental aides, speech therapists, public health personnel, parent coordinators, and administrators.

WASHINGTON-SUPERINTENDENT OF PUBLIC INSTRUCTION

If 80-313 funds were repealed, we would effectively lose programs equal to the Federal grants. Large strides have been made in this state through state dollars in achieving full programming for all handicapped institutional children. Increasing state dollars for each year has only kept pace with the public demands for equal opportunities for institutionalized children. To withdraw the 89-313 funds would effectively reduce program time for children by one-fourth. In other words, the state spends \$4.00 for every \$1.00 spent under 89-313 (1975-76 calculation).

WISCONSIN-DEPARTMENT OF PUBLIC INSTRUCTION

The greatest impact in the loss of 89-313 provisions would be in the institutions as we lose services while the state covers the basic effort with no frills or extras. Impact would also be on the 0-3 age group in the day service centers where schools do not offer programs. Further this would provide for early childhood intervention.

WISCONSIN-DEPARTMENT OF HEALTH AND SOCIAL SERVICES

This would be a drastic blow to many of the programs and primarily the Community Day Service programs who are now addressing themselves to the 0-3 age group. Wisconsin has taken the position that the educational services for children of compulsory school age are the responsibility of the local educational agency (LEA) and we are contemplating phasing out our day service programs from providing services for children 3-5 and young adults 18-21, possibly by 1980 through a cooperative agreement with the SEA which would conform to the intent of P.L. 94-142.

In regard to this kind of action, it should be noted that little is being done in servicing the needs of the group 0-3. Even within the State of Wisconsin LEA's are having difficulty meeting the needs of children of compulsory school age, 6-16/8, and it is going to be considerable time before they are prepared to adequately meet the needs of children between the ages of 3-5 and the young adults, 18-21; the 0-3 group would be severely hurt by cessation of funds through P.L. 89-313.

Needless to say, the State of Wisconsin is attempting to make funds available through the Community Board structure, but one must recognize the fiscal limitations that any one state has. Therefore, the boards do not have access to sufficient monies needed to provide services to youngsters. I, personally, feel that should P.L. 89-313 be repealed and total funding ceased, this would have a tremendous negative impact on the day service programs.

The cessation of these funds coming into the state, needless to say, would have a severe impact on the educational programs within state residential facilities under DHSS. It is my opinion these areas would not be as severely handicapped as day service programs but would nevertheless have impact on creative and innovative programming that we were unable to provide prior to the advent of P.L. 89-313. The funds available through state monies would enable us to maintain a level of programming that would meet the standards of the SEA but would not be sufficient to encourage the creative and innovative kinds of programs that we have been able to develop through the use of these federal funds.

WYOMING-DEPARTMENT OF EDUCATION

Handicapped children covered under this provision of Title I would not receive the supplementary services which they now receive via these funds. Many of the children served with 313 funds are among the most impaired, necessitating more services and greater cost. Also, these funds serve many children who are enrolled in agencies whose budgets are extremely weak, i.e., community day training centers for handicapped children. The absence of 313 funds would result in a significant reduction in services particularly to these children.

QUESTION 3. WHAT WOULD HAPPEN IN YOUR STATE IF THE 313 MONEY AND LEGISLATIVE AUTHORITY WERE COMBINED WITH 142?

This question was designed to find out what the net effect of combining the two authorities would be within each state. It was recognized that there is no relationship between the amount of money that a handicapped child under 313 receives as compared to the amount under 142. At the present time 89-313 children receive between \$415 and \$623 per child whereas 94-142 children receive \$70 per child. The question raised earlier in the report is certainly appropriate when analyzing the answers to this question: "If you have two children who have the same disability, are the same age, and one lives at home and attends a local public school and is in a self-contained class, and the other is in a state school or is educated in a state school, why are not the costs for educating each child identical or at least comparable?" Through question #3 it was hoped that some illumination would be shed on this question. It was not.

24 STATE AGENCIES CLAIMED THAT COMBINING 313 AND 142 WOULD BE ACCEPTABLE ALTHOUGH MANY NOTED SIMILAR CONCERNS, SUGGESTIONS AND VIEWS. SOME OF THOSE VIEWS FROM STATE AGENCIES WERE:

- (1) It would be more manageable if the legislation and regulations were combined and made compatible. This would allow smoother administration and the flow of services to children would increase at a faster rate.
- (2) There was concern that the amount of funds currently available in state operated and supported programs would be reduced.
- (3) Some felt that the programs could be combined only after the appropriation level for 94-142 was of sufficient size to guarantee that there would not be a drop in 89-313 dollars.
- (4) Some recommended a hold harmless for 89-313 if the programs were combined.
- (5) Some felt that they should not be combined until the 142 level reached the existing 313 level.
- (6) Combining of the two would facilitate counting of handicapped children so that there would be truly a single unduplicated count.
- (7) Concern was expressed that combining the two might result in a failure to increase appropriations at a sufficient rate.

19 OF THE RESPONSES INDICATED THAT THEY WOULD PREFER THE STATUS OF 89-313 AND 94-142 TO REMAIN SEPARATE AND DISCRETE FOR THE FOLLOWING REASONS:

- (1) Most of the children under 89-313 are severely handicapped and require specially adapted instructional climates, facilities, and services. Common priorities and funding formats would result in hardships to these severely handicapped children who must often be placed in residential facilities with an inevitable watering down of services formerly insured under 313. The funding formula under 89-313 far exceeds that under Title VI-B. For that reason alone it was claimed the program should remain separate.
- (2) Also noted was that these funds represented the major source of deinstitutionalization and without these funds the process would be slowed down considerably.
- (3) Combining would cause a sudden reduction in funding and would make it impossible to guarantee the availability of a free appropriate public education.

- (4) There is no guarantee under 94-142 that funds would be earmarked as under Title I, for institutionalized individuals.
- (5) 89-313 should continue as separate with 313 funds going directly to institutions while 94-142 funds go'ng directly to LEAs.
- (6) Some claimed it would be more difficult to administer funds if 313 and 142 were combined.

3 OF THE STATE AGENCIES CLAIMED THAT THERE WOULD BE LITTLE OR NO CHANGE IF 313 MONEY AND LEGISLATIVE AUTHORITY WERE COMBINED WITH 142.

Because some education programs ~~are~~ being run by various agencies, there are at times more than one response from a state to the question.

Question #3
Attachment

State agencies who claim that combining 313 money and legislative authority with 142 would be acceptable, although they qualified this with concerns.

Arkansas
Alaska
Arizona
Connecticut*
Delaware
District of Columbia
Florida*
Georgia
Illinois
Louisiana
Maine
Missouri
Montana
New Hampshire
New Jersey*
North Dakota
Oklahoma
Pennsylvania
Puerto Rico
Tennessee
Texas
Vermont
South Carolina
Minnesota

State agencies who prefer that 313 remain separate and discrete.

California
Colorado
Florida*
Idaho
Indiana
Iowa
Kansas
Maryland
Nebraska
Nevada
New Jersey*
New Mexico
New York
Ohio
Oregon
South Dakota
Virginia
Wisconsin
Wyoming

State agencies who claim that there will be no change or little change.

Hawaii
Mississippi
North Carolina*
Massachusetts*
Washington

*agencies of the same state with differing views
*interpretation of question #3 is questionable
*there must be an internal ironing out of problems

The following state agencies did not respond to the question:

Michigan, Utah, Kentucky, Alabama, West Virginia, Rhode Island

THE FOLLOWING IS A SAMPLE OF STATEMENTS FROM VARIOUS STATE AGENCIES WHO CLAIM THAT COMBINING 89-313 MONEY AND LEGISLATIVE AUTHORITY WITH 94-142 WOULD BE ACCEPTABLE. MANY QUALIFY THEIR STATEMENTS WITH CONCERNS, SUGGESTIONS AND VIEWS:

Alaska: Department of Education

The combining of funding from P.L. 89-313 with funding from P.L. 94-142 would have the advantages of increasing the flow of services to children at an equalized rate and decreasing the amount of administrative costs engendered by administering two separate acts. Funding for administrative costs would need to be increased above that allowed under P.L. 94-142 but could be decreased from the amount used by Title I ESEA administration.

Arizona: Department of Education

If the funding formula for P.L. 89-313 remained the same and legislative authority were combined with P.L. 94-142, Arizona would be functioning under one set of regulations for handicapped children, and there would be consistency in delivery of services and a reduction in required reports.

Arkansas: State Department of Education

Legislative authority being combined with P.L. 94-142 would be most beneficial in coordinating services among the State Education Agency, the state agencies directly serving handicapped students, and the local education agencies, which are also providing services to handicapped students. However, if funding of 313 programs were placed in with the funding formula of P.L. 94-142, state agencies serving handicapped students would receive a reduction of approximately ninety-one (91) per cent of the funds presently being received through the 313 provisions on a per child basis.

Florida: Department of Education

I would like to propose to you that the provisions of 313 be moved with budget from Title I over under 94-142; that there be a trigger on this so that a separate Appropriation equal to the per pupil dollars of 313 be continued until such time as the per pupil appropriation under 94-142 equals the current 313 expenditure. At that time, 313 would be phased out and 94-142 would simply count these children and fund them on a per student basis the same as a local education agency.

Connecticut: State Department of Education

Combining 313 funding and authority with 142 could serve the state satisfactorily. However, not all of the provisions of 313 and 142 are compatible. These I assume would be corrected to allow for a united funding program for school eligible handicapped students whether in public school districts, state or private schools or institutions.

Missouri: Department of Elementary and Secondary Education

Since the goals of the two laws are the same or similar, one would have to assume comprehensive planning would be easier. The most direct and obvious result would be a change in the administrative authority in the Department. If the 89-313 provisions were included with Public Law 94-142, we would strongly suggest that the current funding level of the 89-313 program be continued at the present rate and not reduced to the per pupil funding of Public Law 94-142 that is currently being proposed.

Montana: Office of the State Superintendent

Part of the answer is reflected in Question 1. The other major consideration under this is that the administration of both the state agency programs under 89-313 and the LEA programs under 94-142 would be administered by the special education office and come under our rules and regulations which are developed specific to special education and handicapped children.

The 89-313 program in relation to the provision of P-bill Law 94-142 should not continue in the same way. The major problem that we have within this state is with those children who have left the state institution and were covered under 89-313. As a result they are not eligible for Part B Education of the Handicapped Act dollars. Since 89-313 has a year's delay in their monies following the child we essentially could not serve that child with either the Part B money or the 89-313 money in the immediate year unless the child is picked up by a local school district using state dollars.

If these programs were incorporated into one, our problem would be resolved.

New Hampshire: Division of Mental Health

While P.L. 94-142 is intended to beef up all programming for the handicapped, its focus will still be primarily on schools. The intent of 89-313 was to make Title I-type funds available for the improvement of programming of those outside the public school setting. As long as that portion of the population is not overlooked, I do not believe combining the two legislative authorities would be detrimental.

New Jersey: Department of Education

As stated above, we feel that this is the way to go. I am deeply concerned that the enactment of new legislation may present cumbersome problems to SEA's. I feel that your office has the expertise to provide smooth flowing transitional procedures that will minimize the concerns and complications of SEA's for state operated programs. Again, I would call your attention to the fact that considering the per pupil reduction a provision of harmless must be considered.

Texas: Texas Education Agency

The legislative authority and the money now provided under P.L. 89-313 could possibly be combined into P.L. 94-142. The effectiveness would need to be assured with additional specific language and a specifically approved higher level of funding for the institutionalized youth. Care would need to be exercised to avoid the possibility of a total lack of service to a group with known, well documented, extreme needs.

South Carolina: Department of Education

The combining of P.L. 89-313 and legislative authority with P.L. 94-142 would not have any significant effect in the administration and implementation of 313 programs as long as these programs have distinct and separate legislative and funding requirements. However, if the two laws were combined under the current P.L. 94-142 legislative authority, the state agencies' allocation of federal funds would be significantly reduced from approximately \$475.00 to \$50.00 per ADA child.

Minnesota: Department of Education

Again, our concern is with the federal funding level for the children we are serving with P.L. 89-313 funds. If the funding level could be maintained and if we would be able to continue to use the funds under P.L. 94-142 for the children involved, we would see no major problem in combining the programs. Because of the flow through requirements of P.L. 94-142, the merging to these two programs could cause some complex administrative problems relating to the allocation of funds and assuring that the funds are used to support children who are in the greatest need.

THE FOLLOWING IS A SAMPLE OF STATEMENTS FROM VARIOUS STATE AGENCIES WHICH CLAIM 89-313 SHOULD REMAIN SEPARATE AND DISCRETE:

California: Department of Education

It would reduce the state mandate to live up to the "maintenance of effort" requirement, leaving the state operated institutions open for political maneuvering and the potential decrease of state basic foundation funds.

As long as 89-313 stays under the Title I umbrella the funds will be earmarked for the institutionalized participants. There is no guarantee under PL 94-142 that this will happen. It could curtail the benefits that the six state special schools are now receiving under PL 89-313. There are no assurances that each child in our special schools would accrue \$536.27 under PL 94-142, the current amount per pupil under PL 89-313. The amount of \$50 per pupil is the figure mentioned for the first year under PL 94-142. Also, the law requires that PL 94-142 monies must first be spent on the unserved and then on the underserved before it can be utilized in categorical programs as supplementary funds. This stipulation is not contained in PL 89-313, where the intent of Congress is that all handicapped children receive appropriate instruction and services wherever they may be enrolled; every handicapped child within our six special schools is eligible to receive benefits under PL 89-313.

Florida: Health and Rehabilitative Services

It would be much more difficult to administer and be accountable for funds if the two programs were combined. Currently, State mental health facilities have little connection with the public school program.

Maryland: Department of Health and Mental Hygiene

Lack of specific identification and priorities for children's needs who are outside of the public education sector would be detrimental to meeting the educational needs of these children. Disregard of turfdom in providing local education funds following the child regardless of where his education occurs has not been accomplished within Maryland. It would be difficult if not impossible to assure that children in institutions would receive funding appropriated through the Local Education Agency, which is the unit level of 94-142. Combining these programs would in our opinion, submerge the needs.

South Dakota: Department of Education and Cultural Affairs

By combining, we would lose approximately \$440 per student. PL 94-142 this year will provide \$35 per student and 313 will provide \$475 per student.

Nebraska: Department of Education

The amount of money now allocated for P.L. 94-142 would appear not to be sufficient to continue programs in state operated or state supported schools. The difference in allocation could be as much as \$400 per child and once again, school districts in Nebraska would be responsible for absorbing this additional cost.

Virginia: State Board of Education

89-313 is computed at \$649 per pupil for 1977-1978. If combined with Public Law 94-142, which is computed at approximately \$30.00 per pupil, the children in the state of Virginia would

lose an estimated \$124,053 dollars. This type of sudden reduction funding would make it impossible to guarantee the availability of a free appropriate public education to all handicapped children. It would cause drastic reduction in needed educational services now provided to eligible children under 89-313.

Iowa: Department of Public Instruction

The combining of P.L. 89-313 and P.L. 94-142 into a single legislative authority would result in a profound reduction in the per pupil funding available to support educational programs for institutionalized children. In this state, the amount per child for P.L. 89-313 for the 1977-78 school year will be \$589.84 compared to an estimated \$70.00 per child under P.L. 94-142.

If consideration is given to the possibility of combining these programs, careful attention should be directed to a funding formula that would at least preserve the present level of support for P.L. 89-313.

Oregon: Department of Education

To some extent a consolidation will be inevitable. The Annual Program Plan (APP) requirement of 94-142 details a number of elements that call for the SEA to develop with its state agencies and LEAs policies and procedures for serving handicapped children. How 313 money would fit into this overall plan or APP is not all that clear. If PL 89-313 and PL 94-142 teamed up for fiscal 1978, one of the first features one would notice would be the discrepancy in level of funding. For FY '78, PL 89-313 funds average out to about \$571 per child in comparison to a 94-142 child entitlement of about \$150. It would seem that given the schedule of congressional appropriation's for 94-142 that funding from both programs would probably reach parity around 1982. As consideration is given to the compatibility of both programs it does seem on the other hand that thought should be given to retaining PL 89-313 as federal assistance program for state agencies and PL 94-142 as LEA federal assistance program.

QUESTION 4: WHAT PROBLEMS EXIST IN YOUR STATE IN THE PRESENT 313 PROGRAM?
ARE THEY ATTRIBUTABLE TO THE LAW, THE REGULATIONS, STATE
ADMINISTRATIVE JURISDICTIONS, ETC?

This question was designed to ascertain what problems if any exist within states regarding 89-313 programs and to ascertain what changes, if necessary, would have to be incorporated into the law. Of the 49 state agencies that responded to this question, it is difficult to easily break into categories a basis for their concerns. In several instances one agency responded, and did not always agree with problems that were raised by other agencies from the same state. Problems raised were attributable to the law, the regulations (or lack thereof), and state administrative jurisdiction. The following are examples of some of the most salient problems faced by the state agencies:

1. there is a regulatory problem in following the students from school to school and district to district in order to keep funds with them and in order to keep 313 funded students separate from 142 students. This seems to be an imposing problem for many of the respondents. Also noted was that the funding follows the child the following year if the child leaves the institution by October 1 and follows the child 2 years later if the child leaves October 2. Locating and serving the children who transfer seems to be a problem.
2. there is a lack of specific guidelines and interpretive practical support for implementation of the law from BEH and USOE. Regulations have been inferred from those written for the Title I program. Quickly changing rules from Washington causes problems, since often something is changing before anything can be stabilized to enhance current operations.
3. there is a great difficulty in interpreting federal regulations that were not written for the handicapped. The 313 program is an appendage to Title I of the Act and was not designed primarily to serve the needs of handicapped children. This creates some administrative complexities in attempting to plan and manage educational programs for one group of children with law and regulations designed to assist a different group of children.
4. there is uncertainty in regard to respective duties of those agencies which are involved in providing certain educational services to the handicapped. At the U.S. Office of Education and at the state level, there are 2 administrative jurisdictions which are responsible for the program. The compensatory education units receive and distribute the funds and are accountable for the program. The education of the handicapped units are responsible for the programming. With Special Education being the administrative and monitoring agent for programs for the handicapped in the public schools, administrative and monitoring responsibility for 313 which is currently under the jurisdiction of the Title I office needs to be moved to the Special Education Section to improve communication and coordination among all agencies providing educational services to handicapped children.
5. conflicts exist in state laws and the proposed federal regulations regarding parents or guardians being charged a fee for room and board in state institutions if they are able to pay.
6. one of the problems attributed to 313 is that it only permits funding for children five through twenty. This hampers provision of supplemental services to children who are in early education programs and also funding is ceased for severely and profoundly retarded individuals when age 21 is reached. It is recommended that 313 funds provide for supplemental services to handicapped children in approvable projects as opposed to age level and permit the count of these children in order to generate funding, when enrolled in an approved educational program.
7. there is also a problem in determining the definition of a basic education program and supplemental education program because the law and the regulations are not clear on the issue. This causes problems in the administration of the program.
8. growth of the 313 program makes additional personnel necessary to carry out the administration of Title I. There is also a slowness in getting permission to fill vacant positions.
9. it is suggested that a change be made in requiring 313 funds to be first used for underserved children across all programs prior to being allowed for supplementary services over and above mandated programs. This would mean that significant increased funds and programs could be made available to children who were most in need and who historically received the least.
10. there is inadequate money to properly monitor all projects as to compliance with Federal regulations.

State agencies who felt problems are attributable to the law.	State agencies who felt problems are attributable to the regulations.	State agencies who felt problems are attributable to state administrative jurisdictions.	State agencies who felt problems are attributable to both the law and regulations.	State agencies who felt problems are attributable to the law and state administrative jurisdictions	State agencies who felt that all three are problems	State agencies who claim there are little or no problems.	State agencies who felt problems are attributable to regulations and state administrative jurisdictions.
Alaska Idaho Iowa Louisiana Maryland Nebraska New Hampshire Hawaii+ New Jersey+ Oklahoma Puerto Rico South Dakota Tennessee Texas Washington Wyoming	Arizona Florida+ Georgia Illinois Indiana Maine Massachusetts Mississippi Virginia*	Arkansas Colorado Ohio Montana	District of Columbia Oregon Pennsylvania California Vermont Wisconsin*	Connecticut New Jersey	New Mexico North Carolina+	Delaware Nevada New York North Dakota South Carolina Virginia* Minnesota	Mississippi Missouri Wisconsin*

+ 2-3 agencies in these states agree in their responses

* state agencies in the same state who do not agree in their responses

The following states did not respond to the question:

Rhode Island
Kansas
Kentucky
Alabama
Michigan
Utah
West Virginia

THE FOLLOWING ARE SAMPLES OF RESPONSES FROM STATE AGENCIES CONCERNING PROBLEMS THAT EXIST IN THE PRESENT 313 PROGRAMS:

MASSACHUSETTS -- DEPARTMENT OF EDUCATION

I would like to see a change that required that 89-313 funds must first be used for under-served children across all programs prior to being allowed for supplementary services over and above mandated programs. This would probably make the private schools unhappy, however, it would mean that significantly increased funds and programs could be made available to children who were most in need and who historically received the least. It seems to me that such a change would also be consistent with the approach being taken under 94-142 and use of Part B funds.

The other issue is a bit more difficult. We receive 89-313 funds based on the number of children in both state operated or state supported facilities. However, historically, children in state supported facilities receive far superior services to those in state operated facilities. In Massachusetts we fully fund the entire program of children who are in private schools for the handicapped. This means that if the private school receives 89-313 funds, it goes for supplementary programs that exceed what is called for in the individualized education plans. While, historically children in the state operated facility are receiving benefits from 89-313 which lead toward fulfillment of what is called for in the educational plans, but never get to the point of full programs.

I would like to see a change that required that 89-313 funds must first be used for under-served children across all programs prior to being allowed for supplementary services over and above mandated programs. This would probably make the private schools unhappy, however, it would mean that significantly increased funds and programs could be made available to children who were most in need and who historically received the least. It seems to me that such a change would also be consistent with the approach being taken under 94-142 and the use of Part B funds.

COLORADO -- DEPARTMENT OF EDUCATION

Based on the assumption that all handicapped children, regardless of the type or severity of that handicap, can benefit from some type of education or training, uncertainty exists in Colorado in regard to the respective duties of those state agencies which are involved in providing certain educational services to the handicapped. This concern still exists. By statute, four state agencies continue to be involved with the education of handicapped children in Colorado. They are:

1. The Department of Education, responsible for the administration of the Colorado Handicapped Children's Act.
2. The Department of Institutions operates programs in four state institutions as well as contracts with locally established community centers which also provide local educational services to the mentally retarded and seriously handicapped.
3. The Department of Social Services is responsible for the administration of funds made available through Title XX of the Social Security Act. These funds are used primarily by the community centers to provide their various programs, including educational services.
4. The Department of Health provides certain support services with regard to the education of the handicapped, such as diagnostic services.

WISCONSIN -- DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I really feel the primary problems that exist in our state are attributable to the state administrative jurisdiction that exists. I believe I responded to this in question number one when I indicated that there is too much autonomy being given to the state administrative agency without some form of appeal process that the participating agencies can utilize in the event that they are not in complete accord with interpretations or decisions that are rendered.

For example, we currently are not in accord with some interpretations being applied. We have placed calls and submitted correspondence to Washington regarding these concerns and at this date, after a period of eight months, have had no response to our correspondence. We have asked the Title I Administrator at the SEA to set up conference calls or to let us accompany him to Washington to discuss certain interpretations that have been applied and have been unsuccessful, from accompanying the State Administrator to Washington or participating in a conference call.

I feel there is one phase of the regulations that need serious consideration at this particular time and has to do with the 0-3 population. One must recognize that this is a recent development of programming and that as a result there is little literature or background that one can draw on to develop an effective, adequate program. It is my contention the Title I funds for this age group should be able to be used for start-up programs. I also recognize they should not be continued indefinitely, and should have an ending date associated with the use of Title I funds for start-up programs. In my opinion, the length of time should not exceed three years that an agency could use Title I funds for providing services for the 0-3 age group at which time a decision would have to be made to absorb the program and support it with state funds or the program should not be offered.

WISCONSIN -- DEPARTMENT OF PUBLIC INSTRUCTION

P.L. 89-313 is administered through Title I as an override principal. Title I is geared for educationally deprived and has a remedial flavor. In Wisconsin 89-313 tends to take on this remedial flavor instead of approaching it from a handicapped standpoint. One of the problems involved in 89-313 is that the quickly changing rules from Washington cause problems as often something is changing before anything can be stabilized to enhance the current operations. Further, there are limited dollars for administration of 89-313, which also causes a problem within our state.

PENNSYLVANIA -- DEPARTMENT OF EDUCATION

The biggest problem we have found is determining the definition of a basic educational program and a supplemental program. Since the law and the regulations are not clear on the issue, it causes problems in the administration of the program.

HAWAII -- DEPARTMENT OF EDUCATION -- EXCEPTIONAL CHILDREN SECTION

Under the present 313 program, there are no administrative funds available.

NEBRASKA -- DEPARTMENT OF EDUCATION

a. Auditing procedures are carried out by personnel who often seem to be unfamiliar with educational programming for the handicapped;

b. Nebraska has taken steps through state legislation to place the responsibility for educating the handicapped with the local school districts. Therefore, Nebraska should not be required to create innovative means for the use of these or other federal funds for the handicapped. Rather Nebraska should be given enough flexibility to implement programs in accordance with state procedures to assure quality programs for the handicapped; and

Even subtle changes within federal law, regulations, or guidelines can cause serious difficulties with administration of the 89-313 program. To illustrate this point, since 1971 guidelines for ADA have used varying procedures requiring counting based upon the second preceding year, the first preceding year, taking 94% of the ADA count, and finally taking 100% of the ADA count.

GEORGIA -- DEPARTMENT OF EDUCATION

The major problem existing in the current 313 program is the requirement to flow funds to the child who earns those funds upon his or her exit from the institution, in that these funds do not flow until the following year. This problem is a regulatory one.

FLORIDA -- DEPARTMENT OF EDUCATION

Florida is currently faced with two problems relating to the Public Law 89-313 program. Section 116b.87 of the proposed regulations relating to services provided without cost to parents is in direct conflict with Florida Statutes 394.457P7 and 393.09 which mandate that whenever the parent, guardian or estate of a child under 21 years of age is able to pay for his maintenance of residence in institutions, the Department of Health and Rehabilitative Services shall make appropriate charges. We recognize that this section of Florida's law may conflict with the provisions of Public Law 94-142.

MISSOURI -- DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

There are two significant problems in the administration of 89-313:

(a) There are no regulations specifically for the program. Out of necessity, for the past several years, regulations have been inferred from those written principally for Title I programs under Part A. This has resulted in a general lack of understanding and authoritative basis for determining precisely what is proper and what is improper under the program. Generally, you would assume that the staff associated with the Title I Section are trained in general education and administration and often have limited knowledge of special education concepts or procedures. This lends itself to difficulty, especially when programming for severely and profoundly handicapped individuals. The problem relating to the lack of regulations results from the fact, in general, 89-313 programs are based on regulations which were promulgated mainly for the purposes of offering Title I programs in public schools where only a portion of the children are eligible for services.

(b) At the U.S. Office of Education and at the state level, there are two administrative jurisdictions which are responsible for the program. The compensatory education units receive and distribute the funds and are accountable for the program. The education of the handicapped units are responsible for the programming. These two do not share the same points of view about the program. This, again, may be due to lack of understanding on the part of the staff members charged with responsibility for the administration of the various activities.

OREGON -- DEPARTMENT OF EDUCATION

Because Public Law 89-313 was authorized as a part of the Title I ESEA umbrella and its regulations, questions related to PL 89-313 federal guidelines have usually been referred back to the general provisions of Title I ESEA. Many of the regulations have not been applicable or clear in describing the development, operation and evaluation of PL 89-313 projects. This ambiguity and question of applicability has placed many state agencies in the position of assuming that there were few if any federal regulations that pertained to the operation of their PL 89-313 programs.

This changed of course with the Educational Amendments of 1974 approved by Congress on August 21, 1974. Prior to 93-380 state agencies operated autonomously and were given considerable latitude in the development of their projects. The new requirements in the law plus the issuance of the proposed regulations for PL 89-313, published in the Federal Register, Vol. 31, No. 72, April 11, 1976, has challenged many of the basic assumptions some state agencies have been operating under.

Added to this dissonance has been the difficulty in securing from the Bureau of the Education of the Handicapped (BERH) sufficiently consistent and documented interpretations related to questions about 93-380 and the proposed regulations. PL 89-313 coordinators have had little to bank on in attempting to set up policies and procedures in working with their state agencies (SAs).

The APF requirement under PL 94-142 should begin to resolve this confusion. It will facilitate the process in which the SEA and SAs can develop a cooperative agreement that details their respective responsibilities and roles relative to PL 89-313 programs.

IOWA -- DEPARTMENT OF PUBLIC INSTRUCTION

As indicated previously, the greatest problem we have encountered in the administration of this program has involved the "pass through" to local education agencies.

IDAHO -- DEPARTMENT OF EDUCATION

The particular problem within the 89-313 program in Idaho is that there are not adequate administrative funds provided for at the state level to allow for necessary monitoring and auditing of the programs and funds.

ALASKA -- DEPARTMENT OF EDUCATION

The greatest problem under PL 89-313 in Alaska is that of attempting to follow students from school to school and district to district in order to keep the funds with the student and to keep those students entitled to PL 89-313 funding, separate from those students entitled to PL 94-142 funding. This adds to the administrative costs. Where there are no administrative funds, such as under PL 89-313, the impact of such action detracts from funds allocated for Title I children.

ARKANSAS -- STATE DEPARTMENT OF EDUCATION

The present problems with the 313 program exist within the area of State administrative jurisdiction. With the Special Education Section being the administrative and monitoring agent for programs for

(ARKANSAS - Cont.)

the handicapped in the public schools, administrative and monitoring responsibility for 89-313 which is currently under the jurisdiction of the Title I office needs to be moved to the Special Education Section to improve communication and coordination among all agencies providing educational services to handicapped children.

CONNECTICUT -- DEPARTMENT OF MENTAL RETARDATION

Two problems in the present 89-313 program are attributable to state administrative jurisdictions. One problem we have faced is the upgrading of certain job classifications within the state personnel system after a project has already begun. Another inconvenience is caused by the slowness with which permission is granted to fill vacant positions.

A problem that is attributable to the law, and one that is becoming progressively more serious, is in relation to the fact that education for a severely or profoundly retarded person cannot stop when he or she becomes 21 years of age, as does the funding under 89-313.

It must be considered, however, that we are responding from the point of view of a grant recipient, and are not speaking for the Connecticut State Department of Education in regard to overall managerial and administrative problems.

SOUTH DAKOTA -- DEPARTMENT OF EDUCATION AND CULTURAL AFFAIRS

Attributable to law. Problem -- (1) Money following the student.
(2) No administrative money. (See Question 1) $\frac{1}{2}$.

MISSISSIPPI -- DEPARTMENT OF EDUCATION

What problems we may have are probably associated with state administrative jurisdictions which distinctly separate institutions from local educational agencies. Regulations, which are still proposed, could cause some problems if finalized in their present format.

WASHINGTON -- SUPERINTENDENT OF PUBLIC INSTRUCTION

The basic problem in our state is inadequate money to properly monitor all projects as to compliance with Federal regulations. The current 1070-ESEA Title I administration dollars, are not adequate to provide the necessary staff to supervise and monitor PL 89-313.

VERMONT -- DEPARTMENT OF EDUCATION

(a) PL 89-313 has not direct provision for state administration funds but rather depends on the administrative grant for all of ESEA Title I. Vermont receives the minimum \$150,000, which is not adequate to properly administer all of the programs under its umbrella (e.g., Part A, Part B, 89-313 N&D, etc.)

(b) The mutual exclusiveness of 89-313 and Part B of EHA has created management and planning problems for delivery of services to children transferred to public schools. The regulations should be more flexible to provide for coordination of services.

TENNESSEE -- DEPARTMENT OF EDUCATION

- a. There is very little coordination between the 313 program and the program for education of the handicapped. This is probably the result of 313 being a part of ESEA although it is also an administrative arrangement.
- b. There seems to be a problem in letting school systems know which children have been de-institutionalized so they can utilize the "trail" money. This may be a state legal problem.
- c. If the Commissioner of Education approved educational programs for handicapped children in State institutions, the administration and implementation of the 313 programs in the institutions would be facilitated.

TEXAS-- TEXAS EDUCATION AGENCY

The major problem in this State with PL 89-313 has been with the timeliness of funding the grant awards on the legislative level and then the ability of the State to rapidly respond to artificially created money crisis. Such problems have dealt severe blows to the continuity of well known priority efforts to provide improved direct services.

Efforts spanning a time period in which legislative authority expires is especially stressful. This problem has been dealt with in some instances by operating programs only from "carryover" funds. This in turn has presented the thought that the allocation formula was too rich and decreases in the formula amounts by legislation have occurred.

NEW JERSEY -- DEPARTMENT OF EDUCATION

Funding of PL 89-313 through the SEA Title I program tends to complicate the administrative structuring of management, supervision, and monitoring responsibilities. By having PL 89-313 specifically assigned to the SEA Office of Special Education most of these territorial or "turf" situations would be eliminated.

CALIFORNIA -- DEPARTMENT OF EDUCATION

*(a) An inflationary cost factor should be built into the base funding of at least six percent per annum; *(b) California is successfully implementing the program design of 89-313; (c) some services designated as supplementary services should be classified as direct services, since certain responses must be resolved before instructional services can be provided.

Both the central office and administrators in the state special schools have had an inordinate amount of difficulty interpreting and implementing federal regulations that were not written for the programs for the handicapped. It is our understanding that regulations for the state operated programs for the handicapped, proposed 13 April 1976, should be adopted by summer 1977. This should improve the efficiency with which we can design and implement Title I programs in our state special schools.

*(a) is attributable to the law; (b) is attributable to regulations.

ARIZONA -- DEPARTMENT OF EDUCATION

Following is a list of problems which exist in Arizona regarding the present PL 89-313 programs:

- (a) There exists a conflict in state law and proposed federal regulations regarding parents or guardians being charged a fee for room and board for institutionalized handicapped children.
- (b) Lack of final regulations makes program implementations difficult.
- (c) There is a need to define basic and supplementary education.
- (d) Transfer funds are difficult to administer.

MONTANA -- OFFICE OF STATE SUPERINTENDENT

Specific problems that relate to the 89-313 programs from my point of view are that some programs do not always conform to the special education rules and regulations that are promulgated by the State Superintendent. Since the program is administered outside the special education office the communication of those rules and regulations and the adherence to those regulations has not always taken place.

MAINE-DEPARTMENT OF EDUCATION AND CULTURAL SERVICES

Several of the major problems have been addressed in the previous responses; however, lack of guidelines and interpretive practical support for implementation of the law from BEH, USOE, and the mobility of the eligible population have seriously taxed unit operators as well as our nerves.

MARYLAND -- DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Currently, though there is not a lower age limit in the Special Education law of the State and the Raines decree refers to all children, 313 programs only permit, as countable for funding, children age 3 through twenty. This hampers provision of supplemental services to children who are in an early education program. It would be our recommendation that 313 funds provide for supplemental services to handicapped children in approvable projects as opposed to age level and permit the count of these children in order to generate funding, when enrolled in an approved educational program.

NORTH CAROLINA -- DEPARTMENT OF PUBLIC INSTRUCTION

Some of the problems that exist due to the law are:

- (a) The 313 Program is an appendage to a Title of an Act which was not designed primarily to serve the needs of handicapped children. This creates some administrative complexities in attempting to plan and manage educational programs for one group of children with law and regulations designed to assist a different group of children.
- (b) Problems that exist in the 313 Program that are attributable to the regulations. The major problem that exists is that the 313 Program has always operated without regulations that are designed specifically for the 313 Programs.
- (c) The portion of the law which provides services to children who transfer from a residential institution to a LEA has created many problems in attempting to locate and serve those children who transfer. An extension of this problem will be discussed in Item 10.

(NORTH CAROLINA - Cont.)

- (d) The current proposed regulations add some clarity to the management and operation as well as the resultant benefit to students; however, there are several factors which, if included in the final regulations, will present problems. The regulation which makes 313 mutually exclusive from children who benefit from VI-B will continue to be a problem as long as the administration of programs for children to benefit under 313 and children to benefit under VI-B are separated.
- (e) SEA administrative jurisdiction for 313 in the Division for Compensatory Education and Title VI-B in the Division for Exceptional Children has created some confusion to local administrators of the exceptional children programs in the public schools and has lacked the coordination needed for smooth operation between exceptional children in public schools and schools operated by other agencies.

DISTRICT OF COLUMBIA -- DEPARTMENT OF SPECIAL EDUCATION

The major difficulties which we are encountering in the 313 program are attributable to the restrictions which are placed on the monies' usage. The requirement of use only for direct services to eligible students greatly restricts the effectiveness such dollars could produce; the direct service stipulation coupled with the non-commingling/supplanting requirements also hamper effectiveness.

Some modifications in the law or regulations, or some more liberal interpretation of the intent of the law or regulation, should be made to enable critical indirect services to be provided. A specific example would be development of special curricula or establishing a team of model demonstration teachers which would be available to all regular and special education teachers serving the eligible handicapped children. These services would be directly provided to students, but not by the individuals specifically hired with 313 funds.

Another difficulty which may or may not be directly related to the legislation itself, is the distribution of funds to other public agencies in the State, and the expressed authority in the bill for the SEA to provide general supervision to all such programs.

The lack of specific and final regulations governing the implementation of the law and utilization of the 313 funds has caused us much distress and at times confusion and embarrassment. Further statements of concerns are being held in reserve until we can determine whether such concerns are legislative or regulatory.

WYOMING -- DEPARTMENT OF EDUCATION

The growth of the 313 program, due to increased state population and funds passing to local education agencies, makes additional personnel necessary to fully carry out the administration of this Title I provision. However, this cannot be accomplished due to restrictions within state government relative to staffing in the state education agency. (One person coordinates the 313 program and two others the federally funded programs.)

ALASKA -- DEPARTMENT OF EDUCATION

The greatest problem under P.L. 89-313 in Alaska is that of attempting to follow students from school to school and district to district in order to keep the funds with the student and to keep those students entitled to P.L. 89-313 funding, separate

(ALASKA - Cont.)

from those students entitled to P.L. 94-142 funding. This adds to the administrative costs. Where there are no administrative funds, such as under P.L. 89-313, the impact of such action detracts from funds allocated for Title I children.

NEW MEXICO -- DEPARTMENT OF EDUCATION

The present 313 formula is "child based" and must be spent on the children (theoretically) counted to generate the funds. When a child leaves the institution, the child is counted the subsequent October 1, and funds flow the following year. If the child leaves the institution October 2, it will be two years before the funds would flow to the child at Local Education Agencies. At the LEA level a 313 child count and audit trail must be kept separate from the P.L. 94-142 child count and audit trail. The difficulties appear attributable to the law and the regulations and general jurisdictional overlaps.

QUESTION 5. DO STATE APPROPRIATED DOLLARS PRESENTLY COVER ALL EDUCATIONAL EXPENSES OF CHILDREN IN ALL STATE SUPPORTED INSTITUTIONS?

This question was designed to elicit responses which would compliment those for Question 1. It was felt that if it could be ascertained that state appropriated dollars covered all educational expenses, then it would be easier to clearly identify the nature and need for 89-313 dollars.

Unfortunately this question did not provoke the desired responses. In fact, the responses were often limited to yes or no answers. Many of the state agencies questioned what the term "all educational expenses" meant, and indicated that their answers would take on a different perspective with a clear definition. Many state agencies noted that state dollars, while covering "all educational expenses", really paid for only basic expenses and that it is the 313 dollars that provide the "extras". Those who claim that state appropriated dollars covered all educational expenses, as well as those who did not, were virtually unanimous in the feeling that the quality of state operated or supported programs was dependent upon Federal funds.

Of the 42 state agencies that responded, 10 claimed that state appropriated dollars covered all educational expenses, 30 felt that state appropriated dollars did not cover all expenses, and 1 clearly did not answer the question.

State agencies who feel that state appropriated dollars cover all educational expenses

Alaska
Hawaii
Louisiana
Maine
North Dakota
Oklahoma
Pennsylvania
South Dakota
Tennessee
Texas

State agencies who feel that state appropriated dollars do not cover all educational expenses

Arizona
Arkansas
California
Colorado
Delaware
District of Columbia
Florida
Georgia
Idaho
Illinois
Iowa
Massachusetts
Mississippi
Missouri
Montana
Maryland
New Hampshire
Nevada
New Mexico
New Jersey
North Carolina
New York
Ohio
Oregon
Puerto Rico
Vermont
Virginia
Washington
Wisconsin
Wyoming
Minnesota

All agencies are state-operated

South Carolina

Indiana does not specifically address the question.

The following states did not respond to the questionnaire:

Alabama
Utah
Michigan
West Virginia
Kentucky
Kansas
Rhode Island

QUESTION 6. HOW HAVE 315 FUNDS BEEN PRIMARILY USED IN YOUR STATE? ARE THEY GENERALLY USED FOR DIRECT OR INDIRECT SERVICES?

This question was designed to find out how states use the 89-315 dollars and to determine how important the Federal dollars are.

Although 34 states claimed to use 315 funds for direct services, 7 claimed they were used primarily for direct services with a minimum amount used for indirect services, and 7 state agencies indicated that they used funds for indirect services. It appears once again that this question did not provide the responses sought. The problem is that the state agency responses varied greatly. Different states as well as different agencies within those states interpreted direct and indirect in their own unique way. What is direct to some state agencies, might appear to be indirect in another and vice versa.

Once again in this question, because 89-315 funds are used by many agencies within a state, there was more than one response received from a state. Also, the various agencies did not agree in their responses to many of the questions.

Examples of indirect use of funds:

- (1) Inservice training.
- (2) Employment of Supervisors.
- (3) Administrative Costs
- (4) Development of Curriculum and Instructional Materials.
- (5) Training of Parents in Accepting Working with their Handicapped Children.
- (6) Equipment.

Examples of direct use of funds:

- (1) Additional direct education services and delivery staff:
Special educators, speech therapy, physical therapy, physical education teachers.
- (2) Salaries for Teachers and Aides.
- (3) Improvement and Expansion of Special Education Programs.
- (4) Development of language and communication skills, extension of early education programs, infant stimulation programs.
- (5) Homebound Instruction.

Breakdown of state agencies and for examples of how they claim 313 funds are used.

<u>Direct</u>	<u>Indirect</u>	<u>Both</u>
Alaska	Connecticut*	Hawaii
Arizona	Florida*	Massachusetts
Arkansas	Georgia	Missouri
Colorado	North Carolina	California
Connecticut*	Tennessee	Nebraska
Delaware	Virginia*	Oregon
District of Columbia	Washington	Vermont
Florida*		
Idaho		
Illinois		
Indiana		
Iowa		
Louisiana		
Maine		
Maryland		
Mississippi		
Mississippi		
Montana		
Nevada		
New Hampshire		
New Jersey		
New Mexico		
New York		
North Dakota		
Ohio		
Oklahoma		
Pennsylvania		
Puerto Rico		
South Carolina		
South Dakota		
Texas		
Virginia*		
Wisconsin		
Wyoming		
Minnesota		

*Same state agencies with differing views.

The following states did not respond to the questionnaire:

Rhode Island
Kentucky
Kansas
Utah
West Virginia
Michigan
Alabama

ATTACHED IS A SAMPLE OF HOW THE STATE AGENCIES USE THE 89-313 FUNDS WHETHER IT BE DIRECT, INDIRECT, OR BOTH

EXAMPLES OF DIRECT USE OF 313 FUNDS:

SOUTH CAROLINA-DEPARTMENT OF EDUCATION

The majority of the approximately 1.2 million dollars allocated under the 313 program for South Carolina are expended for direct services to the handicapped children enrolled in the state agency schools. Salaries for teachers and teacher aides to provide additional teaching staff in the improvement and expansion of special educational programs are the greatest expenditures.

NEW YORK-STATE EDUCATION DEPARTMENT

Public Law 89-313 funds have primarily been used for direct instructional services; the development of language and communication skills, extension of early education programs with special attention given to parent education, occupational education training programs on the secondary level, summer instructional programs with attention to body awareness and movement activities emphasizing fine and gross motor skill development, enrichment activities through music and art, funding of educational instructional personnel including paraprofessional resulting in smaller teacher-pupil ratios and more individualized instruction, and home-school coordination.

INDIANA-DEPARTMENT OF MENTAL HEALTH

The primary use of P.L. 89-313 funds has been for direct services, such as infant stimulation, homebound instruction, preschool and school age classes, and ancillary services, and post school daily living and vocational skill training.

Projects have been designed for expansion, innovation, and enhancement of direct services to the handicapped. Equipment, materials, inservice training have all been monitored as relating to the objectives of the local projects.

PUERTO RICO-DEPARTMENT OF SOCIAL SERVICES

The 313 funds are used as direct services to the students. We provide transportation, educational materials, equipment, psychological evaluations, etc.

EXAMPLES OF INDIRECT USE OF 89-313 FUNDS:

WASHINGTON-SUPERINTENDENT OF PUBLIC INSTRUCTION

89-313 has focused on the development of an appropriate curriculum for severely handicapped children that tends to be an indirect service project.

CONNECTICUT-DEPARTMENT OF MENTAL RETARDATION

In the Department of Mental Retardation, 89-313 dollars are generally spent on "indirect" services in the sense that most instructional positions are not used as single classroom teachers, however, the services that are provided are all crucial components of children's educational programs. An "indirect" service may not be interpreted as one that is non-essential or supervisory in nature, but rather as one that is strongly supportive of the primary educational program.

MASSACHUSETTS-DEPARTMENT OF EDUCATION

In your sixth question you ask how 89-313 funds have primarily been used in Massachusetts. Specifically you asked whether or not they were used for direct or indirect services. Generally, these funds are used for direct services. We emphasize to all of our state supported and state funded programs that 89-313 funds must follow the children wherever they are enrolled, and they should be translated into programs which directly benefit those children. We do realize, however, that some children only indirectly benefit from these funds. However these indirect benefits must be defined and reported to us by the directors of these projects. We can then be assured that all children identified are affected by the distribution of the funds.

Some examples of indirect benefit include: in-service training workshops where teachers who deal with these children can develop skills which aid them in teaching; the availability of special education equipment and instructional materials which are purchased through these funds for all children identified as eligible for funding within an agency or institution, and finally, and most importantly, programmatic and staff development efforts for transitioning institutionalized children back into public school settings.

EXAMPLES OF DIRECT AND INDIRECT USE OF FUNDS TOGETHER:

CALIFORNIA-DEPARTMENT OF EDUCATION

Mainly direct instructional services, however, in the case of state special schools, funds have been divided approximately fifty-fifty between direct and indirect services. Instructional services provide for a learning environment in which instructional staff can relate directly with a student. These services would include: readiness program, such as perceptual training, visual or tactual skill training, or fine/gross motor development; individualized and programmed instruction; diagnostic or prescriptive teaching; mobility, orientation or travel training; instruction in daily living skills; prevocational programs; instruction utilizing special equipment, mobile classrooms, community resources; and special instructional techniques.

MISSOURI-DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

89-313 funds allocated to Missouri have been used for both direct and indirect services to children. The majority of 89-313 funds are used in direct services, which includes: additional teachers to reduce oversized classes; functional academics by the employment of primary teacher aides; interpersonal relations and personal health through the employment of social workers, nurses; and motor skills development by the employment of physical education and music specialists as well as the provision of physical therapy skills on a contractual basis. Indirect services to the children include: money spent on inservice training; employment of supervisors; a portion of the operational costs involved in the program; a portion of the administrative costs; and the development of curriculum and instructional materials.

NORTH CAROLINA-DEPARTMENT OF HUMAN RESOURCES

These funds have been used primarily for supplementary educational services such as speech therapy, physical therapy, occupational therapy, recreational therapy as well as special educational services designed to meet the needs of a specific project population.

The vast majority of 89-313 funds are used for direct services. Acquisition or retention of direct services personnel is the top priority for North Carolina's 89-313 funds.

QUESTION 7. IF MORE THAN ONE STATE AGENCY RECEIVES 313 MONEY, DOES THE USE OF FUNDS DIFFER BETWEEN THE VARIOUS AGENCIES?

Of the responses in which 89-313 money was disbursed among various agencies within a state, 23 agencies indicated that they used their funds in a similar fashion.

18 claimed that the use of funds differed among the agencies. 3 state responses noted that only one state agency received funds and 2 state agencies which addressed the previous questions did not address this question.

The respondents claimed that the difference in the use of funds between the agencies is due to the type of institution served, the characteristics of the children served, and the needs of the children. It was also noted that the agencies distributed the 89-313 funds according to needs assessment data and numbers of students needing special services.

It appears from the responses that possibly the right question was not posed. A more appropriate question might have been: How many departments in your agency receive the 313 money and how does the use of funds differ between the departments?

The Bureau of Education for the Handicapped supplied the attached listing of agencies in each state eligible to participate under 89-313 in Fiscal Year 1978. It gives some perspective as to the dimensions of the problem of tracking dollars and their uses.

Although there are a variety of agencies in each state which are eligible for 313 funds, there does not appear to be any consistency among states as to which state agency has jurisdiction over the children.

Again, because 89-313 dollars are used by various state agencies, more than one responses from a state was received. At times the various agencies did not agree in their responses to the questions.

SINGLE AGENCY RECEIVING FUNDS	MORE THAN ONE AGENCY RECEIVING FUNDS WITH THE USE OF FUNDS DIFFERING	MORE THAN ONE AGENCY RECEIVING FUNDS WITH THE FUNDS BEING USED SIMILARLY
Alaska Puerto Rico Wisconsin	Arkansas California Colorado Florida * Idaho Illinois Maine Maryland Mississippi Nebraska Nevada New York North Carolina Oregon Pennsylvania Virginia Washington New Mexico	Arizona Connecticut Delaware District of Columbia Florida* Georgia Hawaii Indiana Iowa Louisiana Massachusetts Missouri New Hampshire New Jersey North Dakota Ohio Oklahoma South Carolina South Dakota Texas Vermont Wyoming Minnesota

The following states did not supply information on this question although they did supply information on the previous questions:

Montana
Tennessee

*Institutions from the same state with different responses .

The following states did not reply to the questionnaire:

Alabama
Michigan
Rhode Island
Kentucky
Kansas
West Virginia

THE BUREAU OF EDUCATION FOR THE HANDICAPPED SUPPLIED THE FOLLOWING LISTING OF THE AGENCIES IN EACH STATE ELIGIBLE TO RECEIVE 89-313. ALL OF THE AGENCIES LISTED DO NOT NECESSARILY RECEIVE FUNDS AND DO NOT NECESSARILY COORDINATE WITH THE STATE AGENCIES WHO RESPONDED TO THE QUESTIONNAIRE.

NUMBER OF AGENCIES IN EACH STATE ELIGIBLE TO PARTICIPATE UNDER 313: Fiscal Year 1978

Alabama-	Alabama Institute for the Deaf and the Blind Department of Mental Health
Alaska-	Department of Education
Arizona-	Department of Education State School for the Deaf and the Blind Department of Economic Security Department of Health Services
Arkansas-	Department of Education Arkansas School for the Blind Arkansas School for the Deaf Arkansas State Hospital Division of Rehabilitation Services Mental Retardation-Developmental Disabilities Services
California-	State Department of Education Department of Health Regents of the University of California
Colorado-	Department of Institutions
Connecticut-	State Board of Education Board of Education and State Services for the Blind Department of Children and Youth Services Department of Corrections Department of Mental Retardation
Delaware-	Department of Public Instruction Department of Health and Social Services
District of Columbia-	Public Schools of the District of Columbia Department of Human Resources
Florida-	Florida School for the Deaf and the Blind Mental Health Program Office Retardation Program Office
Georgia-	State Board of Education Department of Human Resources
Hawaii-	Department of Education Department of Health
Indiana-	Department of Mental Health State Board of Health Department of Public Instruction
Iowa-	State Board of Regents Department of Social Services
Kansas-	Department of Education Department of Social and Rehabilitation Services University of Kansas Medical Center
Kentucky-	Department of Education Department of Human Resources
Idaho-	State Board of Education Department of Health and Welfare
Illinois-	Office of Education Department of Children and Family Services Department of Mental Health and Developmental Disabilities

Louisiana-	Department of Education Department of Health and Human Resources
Maine-	Department of Educational and Cultural Services Department of Human Services Department of Mental Health and Corrections
Maryland-	State Department of Education Department of Health and Mental Hygiene
Massachusetts-	Department of Education Department of Mental Health Department of Public Health Department of Public Welfare
Michigan-	Department of Education Department of Mental Health
Minnesota-	Department of Public Welfare
Mississippi-	Mississippi School for the Blind Mississippi School for the Deaf Crippled Children's Treatment and Training Center Department of Mental Health Mississippi University for Women University of Southern Mississippi
Missouri-	Department of Elementary and Secondary Education Department of Mental Health
Montana-	Board of Public Education Department of Institutions
Nebraska-	State Department of Education Department of Public Institutions University of Nebraska
Nevada-	Department of Education Department of Human Resources
New Hampshire-	State Department of Education Department of Health and Welfare
New Jersey-	Department of Education Department of Human Services Division of Vocational Rehabilitation Services
New Mexico-	Department of Hospitals and Institutions Carrie Tingley Crippled Children's Hospital New Mexico School for the Deaf New Mexico State Hospital New Mexico School for the Visually Handicapped
New York-	State Education Department Department of Health-State Department of Mental Hygiene
North Carolina-	Board of Education Central North Carolina School for the Deaf Department of Human Resources Eastern North Carolina School for the Deaf North Carolina School for the Deaf The Governor Morehead School University of North Carolina at Chapel Hill University of North Carolina School of Medicine
North Dakota-	Department of Institutions Department of Health
Ohio-	Department of Education Department of Mental Health and Retardation

Oklahoma-	Department of Institutions, Social and Rehabilitative Services Department of Mental Health Oklahoma Cerebral Palsy Commission University of Oklahoma Health Sciences Center University of Science and Arts of Oklahoma
Oregon-	State Department of Education Children's Services Division Mental Health Division
Pennsylvania-	Department of Education Department of Health Department of Public Welfare
Rhode Island-	Department of Education Department of Mental Retardation and Hospital
South Carolina-	School for the Deaf and the Blind Department of Mental Retardation Gray Opportunity School
South Dakota-	Division of Elementary and Secondary Education Board of Regents Board of Charities and Corrections Division of Mental Health and Retardation
Tennessee-	State Board of Education Department of Mental Health
Texas-	Texas Education Agency Department of Mental Health and Retardation
Utah-	Board of Education Department of Social Services
Vermont-	Department of Education Department of Mental Health
Virginia-	Department of Education Commission for the Visually Handicapped Mental Health and Mental Retardation
Washington-	Department of Social and Health Services
West Virginia-	State Board of Education Department of Mental Health
Wisconsin-	Department of Public Instruction Department of Health and Social Services
Wyoming-	State Department of Education Board of Charities and Reform Department of Health and Social Services
Guam-	
Puerto Rico-	Department of Education
Virginislands-	State Department of Education

STATE AGENCY RESPONSES AS TO WHETHER 313 FUNDS ARE USED SIMILARLY OR DIFFERENTLY BETWEEN THE VARIOUS AGENCIES.

MISSISSIPPI-DEPARTMENT OF EDUCATION

Each institution (or agency) receives an annual allocation and files a separate application. Programs differ only because the major handicaps of children are different. All project funds are substantially consumed by direct instructional staff and support funds for the various instructional activities.

SOUTH CAROLINA-DEPARTMENT OF EDUCATION

The use of 313 funds do not differ greatly between the various agencies in South Carolina. It differs only to the extent that each agency serves quite a different type of population of handicapped children and the 313 programs are more appropriately designed for the type of handicapped children being served.

VIRGINIA-DEPARTMENT OF EDUCATION

The Department of Education, Department of Mental Health and Mental Retardation, and the Virginia Comm F/T Visually Impaired, all receive 89-313 funds. The three agencies all use the funds for those children that generated them. The programs differ to extent the children needs differ i.e. visually impaired, emotionally disturbed and retarded.

CALIFORNIA-DEPARTMENT OF EDUCATION

Yes. USOE assigns the 89-313 funding by participant head count. State hospitals get the most because they serve more participants than other state institutions. The Office of Special Education has not collected this type of data. However, all agencies receiving title I monies are guided by the same statutes and federal regulations, which include allowable components and expenditures of funds.

NEW YORK-STATE DEPARTMENT OF EDUCATION

Yes, prior to Fiscal Year 1977, the allocation to any one of the three eligible State agencies in this State differed based upon funding formulas set forth by the U.S. Office of Education. As of Fiscal Year 1978, all children eligible for funds under Public Law 89-313 will receive the same per capita sum. Heretofore, agencies were held harmless; with the amendment of Section 125 of Public Law 93-380, states are now held harmless.

COLORADO-DEPARTMENT OF EDUCATION

There is a difference in the amount each agency receives. In most instances the allocation is based on expressed needs submitted by the agency.

ILLINOIS-STATE BOARD OF EDUCATION

As the State of Illinois is now functioning, the children eligible for 89-313 meet the same basic requirements, however, the structure in which these funds are expended differ. The funds are used across the board as they apply to the type of service and duration of that service based on the need assessment established by each project. The deviation from agency to agency is best seen in the structure or service delivery model. Two basic models are used for the delivery of services. The first model is used by the Illinois Office of Education as it funds two forms of programs: 1) public school programs for severely handicapped children who meet the eligibility requirements, and 2) those children placed by public schools in approved special education facilities. The second model is used by both the Department of Mental Health/Developmental Disabilities and the Department of Children and Family Services. This basic model is residential programs for children placed by these agencies in their respective facilities.

OREGON-DEPARTMENT OF EDUCATION

Yes, the major difference is dictated by the handicapped children that that agency serves. For example, in Oregon the Mental Health Division which is solely responsible for the education of trainable mentally retarded children offers a variety of program services and activities just for TMR children and their parents, while another state agency--The Childrens Services Division--utilizes its P.L. 89-313 funds for severely emotionally disturbed children and their parents.

PENNSYLVANIA-DEPARTMENT OF EDUCATION

In Pennsylvania, funds are allocated to the Department of Education, the Department of Public Welfare and the Department of Health, and the usage differs between the agencies. The Department of Health utilizes its funds to supplement their program at the only facility they operate.

The Department of Education spends the bulk of its money to fund supplemental programs in approved private schools (schools approved to collect tuitions from the State for handicapped persons.) In addition, funds are allocated to the Special Education Regional Resource Centers for such things as equipment, materials and inservice which are accessible to the staff of the approved private school sector. The Department of Public Welfare utilizes some of its funds in the same manner.

The Department of Public Welfare spends most of its funds in two areas -- supplemental programs for handicapped persons in state institutions, and supplemental programs for preschool handicapped children in community agencies licensed by the Department of Public Welfare and funded with County/State Mental Health/Mental Retardation monies.

ARKANSAS-STATE DEPARTMENT OF EDUCATION

313 funds are used for direct services. However, there is a great variety of services provided through the 313 program. Services run the gamut from mobility training to core curriculum development. Due to the specialized nature of each 313 recipient services must vary to meet the needs of students with specific handicapping conditions.

NORTH CAROLINA-DEPARTMENT OF PUBLIC INSTRUCTION

There is more than one State agency receiving 313 funds; however, the differences between the use of funds are usually determined by the type of handicapped. For example, those agencies who are responsible for teaching orthopedically handicapped children usually employ a general classroom teacher or special reading teacher while those agencies responsible for mentally retarded children will employ special educators. Basically, the use of the funds do not differ between agencies.

MISSOURI-DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

The use of funds under 89-313 does not differ significantly among the various agencies receiving it. The setting in which the educational program takes place differs according to the specific handicapping condition being served, but the use of the funds are basically the same in all of the agencies.

INDIANA-DEPARTMENT OF MENTAL HEALTH

The state agencies receiving the allocations in Indiana are the Department of Mental Health and the State Board of Health. The philosophy, policy and priority of the use of the money has been the same and this is governed by a review committee made up of these two state agencies and the Department of Public Instruction (S.E.A.). The programs are for children with different handicapping conditions and different type schools, these making some differences in project impact.

NEVADA-DEPARTMENT OF EDUCATION

All 89-313 monies are funded from SEA to the Division of Mental Hygiene and Mental Retardation which, in turn, distributes these monies according to needs assessment data and numbers of students needing special services.

MASSACHUSETTS-DEPARTMENT OF EDUCATION

Your seventh question asked whether the various agencies in Massachusetts which receive 89-313 money use funds differently from each other. In the past, this has been the case. In Massachusetts, the Departments of Mental Health, Public Health and Welfare receive 89-313 funds. Until the last two years, the use of those funds was quite divergent and there was really no overall plan to derive the maximum benefits for children from the use of the funds. However, since the implementation of Chapter 766, we have been able to, in fact, increase the coordination of 89-313 funds and the Department of Education has been able to determine to a large extent how priorities for serving handicapped children are affected by the agencies' use of 89-313 funds.

WISCONSIN-DEPARTMENT OF HEALTH AND SOCIAL SERVICES

To my knowledge there is only one state agency that receives P.L. 89-313 funds, and that is the Wisconsin DRSS which comes through the SEA to DRSS to provide supplemental services in the day service program and state residential facilities.

QUESTION 8. ARE THE 313 DOLLARS SPENT ON THE CHILDREN WHO GENERATE THE DOLLARS?
ARE THERE ANY WHO ARE COUNTED NOT RECEIVING ANY 313 FUNDS?

This question was asked because the law requires it. The law states:

"(c) A State agency shall use the payments made under this section only for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of such children, and the state agency shall provide assurances to the Commissioner that each such child in average daily attendance counted under subsection (b) will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made.

"(d) In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such state agency under this section which are attributable to such child, to be used for the purposes set forth in subsection (c)."

18 of the 42 responses who indicated that 313 dollars are spent on the children who generate them noted that there are a variety of reasons that some of the dollars are not received by the children.

This question provoked substantive responses and pointed out some problems with 89-313. Although funds are technically used on children who are counted, when the money is divided and expended, it is not necessarily done so on an equal basis. Also, because of the wide variety of services that are purchased with 313 funds, it is often difficult to clearly determine whether or how a specific service impacts each child. In addition, when a child is removed from a state institution and 313 funds, there is very little counting as to what actually happens to that money once it gets to the local education agency. It appears that the provision in the law is a good one, but that there is very little way to evaluate how well it works without a requirement that every child receives the same amount of money. Even if this were done, it would be difficult to assign a proportionate value to indirect or support services for each child.

89-313 FUNDS SPENT ON THE CHILDREN
WHO GENERATED THE FUNDS

Alaska
Arizona
Arkansas
California
Colorado
Connecticut
Delaware
District of Columbia
Florida
Georgia
Hawaii
Idaho^{*}
Indiana **
Iowa
Louisiana
Maine[†]
Maryland
Massachusetts
Minnesota
Mississippi
Missouri
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina[†]
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Puerto Rico
South Carolina
South Dakota
Texas
Vermont
Virginia
Washington
Wisconsin
Wyoming[†]

CHILDREN COUNTED WHO DID NOT
RECEIVE THE 89-313 FUNDS

Arkansas
California
Delaware
Idaho^{*}
Indiana**
Maine[†]
Maryland
New Hampshire
New Mexico
New York
North Carolina[†]
Ohio
Oregon
Washington
Wisconsin
Wyoming[†]
Nevada
Oklahoma

* Children who have moved out of the state or area and it is difficult to follow the child.

† Individual has reached 21 and is not eligible.

‡ Some children don't receive funds because of the year delay in funding.

The following states did not respond to this question although they did respond to the previous questions: Montana, Illinois and Tennessee.

THE FOLLOWING IS A GROUP OF RESPONSES THAT REFLECT SOME OF THE DIFFICULTY IN SPENDING THE 89-313 DOLLARS ON CHILDREN WHO GENERATE THEM:

MISSISSIPPI DEPARTMENT OF EDUCATION

Funds generated are spent on the children that earned the funds or on like children in the institution. This is the result of children turn-over at the institution. LEA, 313 money is now being used to serve the former institutionalized child.

MASSACHUSETTS DEPARTMENT OF EDUCATION

In your eighth question you asked whether the 89-313 monies were spent on the children who generated the dollars. More specifically, you indicated a concern as to whether or not there were children who were counted for 89-313 purposes but not receiving any 89-313 funds. In Massachusetts, 89-313 funds are spent on the children who are identified as being eligible for this entitlement. Consistent with our previous answer, however, some of these children are served indirectly by these funds; that is, the funds may not be used directly to fund the programs that they are in, but may be used to fund the training or transition program for movement into the community.

MAINE DEPARTMENT OF EDUCATIONAL AND CULTURAL SERVICES

With the possible exception of Follow the Child monies, children counted are being served. Under the "Follow the Child" mechanism, it is extremely difficult to guarantee that the children who generated the money are served since our tracking system is primitive at best.

WISCONSIN DEPARTMENT OF HEALTH AND SOCIAL SERVICES

In all honesty we must say individuals who have been counted may not be receiving the benefit of P.L. 89-313 funds. The reason this has occurred is that the agency who submitted an ADA count for any one of several reasons may have decided not to submit an application for the use of these funds. Therefore, we do find ourselves in this kind of position. Nevertheless, those individuals, if they were counted and are not receiving benefit from any P.L. 89-313 funds at this particular time, are being provided program in the day service agency or have been transferred to the LEA and are receiving an appropriate educational program. In essence, although the intent and the direction is to use the money for children who generate it, there are instances where this is impractical and by the same token should not be a hindrance to other eligible children in eligible programs to utilize the funds.

CALIFORNIA DEPARTMENT OF EDUCATION

Yes. All children in our six state special schools generate Title I dollars and receive services from the approved Title I project. However, there are 2,000 children in state hospitals not receiving 313 funds because they are not in a "maintenance of effort" situation and insufficient funding for a comprehensive program.

OKLAHOMA STATE DEPARTMENT OF EDUCATION

Funds are used broadly enough so that all children counted to receive some services from the funds they generate. This does not mean, however, that the exact money generated is used by or for each child generating such funds.

LOUISIANA DIVISION OF MENTAL RETARDATION

There are no children counted in ADA to generate P.L. 89-313 funds who are not served except a few transfer students to LEA's where the LEA felt the number of eligible transfers and the amount of funds was too small to be

worth applying for (those LEA's subsequently stopped reporting ADA for the purpose of 313).

IDAHO DEPARTMENT OF EDUCATION

Resources under 89-313 are spent on Idaho children who generate the dollars. However, if a child moves out of state or out of the area, it is often difficult to be able to track the child to his/her new location. If a child is removed from the institution and placed in a LEA, the dollars are spent on that particular child.

DELAWARE DEPARTMENT OF PUBLIC INSTRUCTION

Yes--Alfred I. duPont Institute is only one which is not. However, they are a private foundation which elects to let the public funds be used for less fortunate public agencies.

INDIANA DEPARTMENT OF MENTAL HEALTH

The children who generate the funds or "like" children are receiving the benefits of the funds. The only children not benefiting are those who reach age 21 years or children who cannot be located after they leave the state operated or state supported agencies. This becomes especially difficult if they change L.E.A. more than once.

WYOMING DEPARTMENT OF EDUCATION

Yes. The only children who generated funds and are not receiving services are a few children who have left the state and their whereabouts is presently unknown. All children who generated funds and are served by participating state agencies receive services during the year for which the funding is made available.

ARKANSAS STATE DEPARTMENT OF EDUCATION

Generally yes. The only exceptions are children who receive 313 funds that did not generate 313 dollars due to their being new to a program and not included when the child count took place.

Generally no. Only students who complete a program, or leave a program would not be recipients of 313 funds after they had generated these same funds.

NEW YORK STATE EDUCATION DEPARTMENT

Yes, in those few instances in which counted children not receiving any Public Law 89-313 money are in those eligible state supported or operated schools which have indicated that they do not wish to participate in the funding.

NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES

Basically 89-313 funds generated by specific children are expended toward services for those children, given several uncontrollable factors such as deinstitutionalization, children leaving our programs to enter the public school system, etc. There are some children counted who do not receive 89-313 funds for either one of the above reasons or perhaps in some instances area Mental Health programs may elect not to apply for funds. 89-313 funds are "targeted" by our office, that is, we make every effort to assure that each child included in our headcount receives services proportionately.

MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

All children who are counted as eligible under 89-313 for the purpose of determining allocation must receive services under the 89-313 project. The service system would include the dollars spent from indirect services involving inservice training, functional academics, administration. It would also include the indirect services of various specialists employed and working in a particular school.

WASHINGTON SUPERINTENDENT OF PUBLIC INSTRUCTION

This question presents a great deal of difficulty as to counted children receiving the services provided by the dollar they generate. A one-to-one situation does not exist in our state. However, if we use this example, we could argue that even though a child does not see a 89-313 program person, he is benefiting from these dollars.

EXAMPLE: An institution has a ratio of 5 pupils to 1 teacher. By the addition of 8 new teachers funded under 89-313, we now reduce this ratio to 4 to 1. All children counted now, benefit but direct auditing would suggest that only those pupils in the 8 new rooms are receiving Title I services. The money that follows the child to the LEA in our state serves all counted children who are still in attendance at the time the project is funded.

OREGON DEPARTMENT OF EDUCATION

Not all of the children counted in ADA for the purposes of grant determination receive 313 funds. Most, however, receive benefit from either a local operated project or are enrolled in a state supported program that is provided consultative service, staff and parent training, evaluation assistance, etc., funded by PL 89-313. Therefore most children receive direct benefit by participating in a locally designed PL 89-313 program, while some only benefit from the indirect services offered statewide.

NEVADA DEPARTMENT OF EDUCATION

Yes. Since funds are limited, we are unable to serve all eligible children. Since services are provided on needs assessment data it limits services to those students having the greatest needs.

DISTRICT OF COLUMBIA DEPARTMENT OF SPECIAL EDUCATION

The 313 funds are spent on and only for those students who have generated them. There are some instances where students in state supported facilities do not receive direct benefit of these funds; during this current year there were fewer than 10 such students. The difficulty in providing the funds, in those instances, was the state supported facilities' refusal to follow through on the State required procedures to secure the funds, e.g., 1 or 2 students generate so little money that the cost and time involved in securing that money is "cost prohibitive". In those instances where students do not receive direct use of the funds, the State has developed state-wide projects which provide some service to them.

QUESTION 9. DOES 89-313 SUPPLEMENT AND/OR SUPPLANT STATE MONEY? IS IT COMBINED WITH STATE DOLLARS OR KEPT IN A SEPARATE ACCOUNT?

All of the responses with the exception of Hawaii, Florida, Connecticut, and South Dakota use the 89-313 money in a supplemental fashion. Hawaii and Florida have submitted responses from two agencies within the state and the reports of these agencies are in direct conflict. Connecticut's State Department of Education noted that most of the funds are used in a supplementary manner, although there are a few isolated incidents where 313 funds have been used to supplant state funds. This they noted, however, is being corrected. South Dakota's Department of Education and Cultural Affairs claimed that the 313 funds are used both to supplement and supplant state money.

All of the responses with the exception of Oregon's Department of Education indicated that they keep their 313 funds in separate accounts. Oregon noted that they account for 313 funds separately even though they are frequently combined with state funds.

89-313 supplements state money

89-313 supplants state money

Minnesota
Alaska
Arizona
Arkansas
California
Colorado
Connecticut*
Delaware
District of Columbia
Florida*
Georgia
Hawaii*
Idaho
Illinois
Indiana
Iowa
Louisiana
Maine
Massachusetts
Mississippi
Missouri
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
New York
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
South Carolina
South Dakota*
Tennessee
Texas
Vermont
Virginia
Washington
Wisconsin
Wyoming
Puerto Rico

Connecticut*
Florida*
Hawaii*

*agencies within these states which gave conflicting responses

*uses 313 to supplement as well as supplant

The states of Maryland and Montana did not answer this question although they did answer previous questions.

The following states did not respond to the questionnaire:

Utah
West Virginia
Michigan
Kansas
Kentucky
Rhode Island
Alabama

DOES 89-313 SUPPLEMENT AND/OR SUPPLANT STATE MONEY? IS IT COMBINED WITH STATE DOLLARS OR KEPT IN A SEPARATE ACCOUNT?

HAWAII DEPARTMENT OF EDUCATION, OFFICE OF INSTRUCTIONAL SERVICES-EXCEPTIONAL CHILDREN

313 supplements state money and is kept in a separate account.

HAWAII -- SAME OFFICE AS ABOVE, WRITTEN BY ANOTHER PROGRAM SPECIALIST

313 supplants state money and is kept in a separate account

FLORIDA HEALTH AND REHABILITATIVE SERVICES

Federal funds are not combined with state funds. They are kept in a separate account although they may supplant state funds.

FLORIDA DEPARTMENT OF EDUCATION

In the last two years we have closely monitored the 313 dollars so that they do not supplant state funds.

CONNECTICUT STATE DEPARTMENT OF EDUCATION

In the main, 313 funds supplement state money. In a few isolated instances of supplanting, the matter is being corrected.

CONNECTICUT STATE DEPARTMENT OF MENTAL RETARDATION

In Connecticut, 313 money supplements state money, and is kept in a separate account.

SOUTH DAKOTA DEPARTMENT OF EDUCATION AND CULTURAL AFFAIRS

Does 313 supplement and/or supplant state money? Is it combined with state dollars or kept in a separate account?

(a) both (b) kept in a separate account.

QUESTION 10. DOES THE PROVISION WHICH ALLOWS 313 FUNDS TO PASS THROUGH THE LEAs PROVIDING EDUCATION TO FORMER RESIDENTS OF STATE INSTITUTIONS WORK IN YOUR STATE? HOW MANY CHILDREN HAVE BEEN DE-INSTITUTIONALIZED AS A RESULT OF IT?

Deinstitutionalization is not required by 313 and is not necessarily a goal or part of it. The law specifies that money must follow the child who leaves the institution and goes to an LEA. This provision was added to the law in 1974 to insure that there would be no disincentive to remove a child from an institution, and to guarantee that there would be no extra burden placed on an LEA.

The law states:

"(c) A State agency shall use the payments made under this section only for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of such children, and the State agency shall provide assurances to the Commissioner that each such child in average daily attendance counted under subsection (b) will be provided with such a program, commensurate with his special needs, during any fiscal year for which such payments are made.

"(d) In the case where such a child leaves an educational program for handicapped children operated or supported by the State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (b) if (1) he continues to receive an appropriately designed educational program and (2) the State agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributed to such child, to be used for the purposes set forth in subsection (c)."

14 of the responses from the state agencies indicated that the provision which allows 313 funds to pass through to LEAs does not work. 13 responses indicated that the pass-through works and 13 claimed that the pass-through was difficult to administer. 4 state agencies either do not answer the question, are just beginning to deinstitutionalize, did not have the information or it was not applicable to them. See the attached chart for the breakdown of the number of children already deinstitutionalized and the actual responses of the states in regard to whether the pass-through funds are working. Many states indicated that this provision does not help, encourage or discourage deinstitutionalization. Where it is happening it seems to be done with or in spite of it.

PASS THROUGH WORKS	PASS THROUGH DOES NOT WORK	PASS THROUGH IS DIFFICULT TO ADMINISTER	NUMBER OF CHILDREN DE-INSTITUTIONALIZED	NO ANSWER NO INFORMATION NOT APPLICABLE
Arkansas	Alaska	Arizona	Alaska-None	Illinois-just
Delaware	California	Colorado	Arizona-No data avail.	beginning to
Dist. of Col.	Iowa	Connecticut	Arkansas - 186	deinstitution-
Hawaii	Louisiana	Florida	California-No info.	tionalize.
Idaho	Maryland	Georgia	Colorado-138	
Massachusetts	Missouri	Indiana	Connecticut-Children who	Puerto Rico-Not
New Hampshire	Minnesota	Maine	enter LEA's enter be-	applicable
New Mexico	Montana	Mississippi	cause of progress in	
New York (on a	Nebraska	North Carolina	institution and not	Vermont-Not
limited basis)	New Jersey	North Dakota	pass through of funds.	applicable
South Carolina	Ohio	Oklahoma	Delaware-0	
Texas	South Dakota	Oregon	Dist of Col.-No info.	Virginia-did not
Washington	Tennessee	Pennsylvania	Florida-No info.	answer this
Wyoming	Wisconsin		Georgia-0	question.
			Hawaii-13	
			Idaho-No info.	
			Indiana-Difficult to	
			credit any one source	
			2806.	
			Iowa-Little or no effect.	
			Louisiana-0	
			Maine- No info.	
			Maryland-No info.	
			Massachusetts-3200 with	
			other influences.	
			Minnesota-25% since 1973	
			the provision has had	
			no direct effect on	
			deinstitutionalization.	
			Mississippi-money is being	
			allocated now.	
			Missouri-0	
			Montana-No figures	
			Nebraska-0	
			Nevada-Approximately 17-20.	
			New Hampshire-0	
			New Jersey- Commission for	
			Blind and Visually Handi-	
			capped-4. Department of	
			Education-6-12.	
			New Mexico-22	
			North Carolina-Department	
			of Public Instruction-0	
			Department of Human	
			Resources-doesn't know	
			if it works.	
			North Dakota-25-27	
			Ohio-No significant effect	
			Oklahoma-31 children with	
			other factors involved.	
			Oregon-It hasn't contributed	
			Pennsylvania-hard to specify.	
			South Carolina-Over 40	
			South Dakota-0	
			Tennessee- No figures LEA's	
			may feel it is not enough	
			money to "jump through the	
			hoops."	
			Texas-No figures	
			Washington-873	
			Wisconsin-There are a variety	
			of reasons for deinsti-	
			tutionalization.	
			Wyoming-No figures.	

THE FOLLOWING ARE SELECTED AGENCY RESPONSES DEALING WITH THE PASS THROUGH OR FOLLOW ALONG PROVISION:

ARKANSAS-DEPARTMENT OF EDUCATION

Yes. The pass-through process is working quite well. During the past school year 186 students have been de-institutionalized in accordance with through procedures.

CALIFORNIA-DEPARTMENT OF EDUCATION

No. Children enrolled in state schools for the deaf or the school for the blind are referred from LEAs because of the individual needs of a given child and because the LEA has no appropriate program to meet such needs. As we understand the regulations, a child would be eligible for P. L. 89-313 funds when referred from a state program to an LEA program. Our referral process is in the other direction.

CONNECTICUT-DEPARTMENT OF MENTAL RETARDATION

The State Department of Education subtracts money from the allocation given to the Department of Mental Retardation each year to cover the expenses of those former residents who have moved on to public school. Although 72 children left our programs during the period October 1975 - September 1976 to enter LEA's, this transition was made possible because of the progress the children achieved in their institution classes, and not because of the provision for pass through of funds.

FLORIDA-DEPARTMENT OF EDUCATION

In relation to the LEA provisions, with VI-8 funds going to local school districts based on the number of handicapped children served, it may no longer be necessary to require the 89-313 funds to be transferred with the deinstitutionalized child. We have several local school districts who are serving less than ten children under this provision of the law, and therefore, do not generate a sufficient amount of money to make a critical difference. We also have not found it possible to follow each child that the agency has reported as deinstitutionalized. Since state agencies in Florida have been committed for some years to the philosophy of deinstitutionalization, P. L. 89-313 has not alone been the cause of student transfers.

GEORGIA-DEPARTMENT OF EDUCATION

As of this date, no children have been deinstitutionalized as a result of the provision which allows 313 funds to pass through to the LEAs providing education to former residents of State institutions. This is due primarily to the insufficient numbers of children exiting from institutions and going to any particular school system. Because of such low numbers, LEAs have not applied for the funds due to excessive paperwork and project writing required in federal regulations.

IDAH0-DEPARTMENT OF EDUCATION

De-institutionalized children receive benefits through 89-313 funds when enrolled in LEA's. This provision has worked to a great extent with children from the School for the Deaf and the Blind who are placed in community-based itinerant programs.

INDIANA-DEPARTMENT OF MENTAL HEALTH

The S.E.A. need to report on the children who pass through to the LEA has been a problem. It is difficult to keep track of children who have left state operated and state supported agencies. By the time the agencies submit the names of children who have left and the S.E.A. verifies that they are enrolled, planning for sound projects is impossible. Likewise, a number of these children are never located. In one state hospital, twenty children were reported to one L.E.A. and only two were enrolled. The others had moved on to another L.E.A. making it impossible to offer them benefits in said fiscal year.

A new procedure has just been introduced which establishes the S.E.A. as an eligible agency and this may be an avenue to correct this problem.

It is difficult to credit any one source as enabling children to be deinstitutionalized. Three projects have been instigated specifically as deinstitutionalization programs. All, in varying fashions, are continuing under other funding. Some 212 children were effected while under P. L. 89-313 funds.

Our current pass through to L.E.A.'s is 2,806 children, many of these have never been institutionalized because they were in community agencies. The projects may have served to prevent institutionalization. Our State Hospitals serving the Developmentally Disabled have had a decrease in its children population from 1018 in F.Y. 72 to 719 in F.Y. 76.

IOWA-DEPARTMENT OF PUBLIC INSTRUCTION

The "pass through" of P. L. 89-313 funds to L.E.A.'s have had little if any effect, on the rate of de-institutionalization of handicapped children in this state. A high level of state and local support for the provision of educational services for these children has done much more to stimulate the de-institutionalization process than the somewhat insignificant funding amount available per child under P. L. 89-313. The tracking of these children, plus the accounting and monitoring requirements of this phase of P. L. 89-313, places an unreasonable administrative burden on all agencies involved and tends to cancel out any positive contribution the program might make to the education of these children. I strongly recommend that the "pass through" requirement be deleted from future legislation, or that state participation of this portion of the program be optional.

MARYLAND-DEPARTMENT OF HEALTH AND MENTAL HYGIENE

This is a poor mechanism at best, particularly in the light of program planning. We could not say that children have been de-institutionalized because of this mechanism. Again, turmoil which does not affect our regionalized institutions is a problem regarding education for children in a LEH. Also attendance in a day public school program is not de-institutionalization.

Institutional schools are unique and in Maryland have a plethora of knowledge in programming for these multi handicapped children. Though our major priority is deinstitutionalization, we have a deep concern that the children be appropriately placed and that the programs initiated by the LEA operates for a sufficient number of days so that institutional care requests will not increase. Through the supplemental programs such as 313, institutional schools operate on a twelve month cycle.

MISSOURI-DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION

The provision for passing 89-313 funds through to LEAs enrolling deinstitutionalized children does not work satisfactorily and should be repealed. We feel that it would be correct to say that not one single student in our state program was deinstitutionalized because of this provision. Many children are deinstitutionalized annually from either the Department of Mental Health or our State School program for various reasons but not due to the provision which allows 89-313 monies to pass through to the local agency.

MASSACHUSETTS-DEPARTMENT OF EDUCATION

In your tenth question you asked how many children had been deinstitutionalized as a result of our efforts, and how the procedure for the 313 funds passing through to the local school districts who are serving former institutionalized children was working. The system which we use in Massachusetts is one whereby children who return to public schools take with them a notification of their eligibility for 89-313. The school system is notified to apply for 89-313 funds as part of their local education plan each year. Based on the number of children they have received who were formally institutionalized, an entitlement is determined and they reflect in their local plan and proposal what they will do with those funds. While 89-313 has not been the only influence in deinstitutionalizing children, as I indicated earlier - it has had a major effect. During the last 2 1/2 years more than 3,200 children have been transitioned from state operated or state supported institutions back into their local school districts. I believe this represents a very significant and positive impact from 89-313.

MONTANA-OFFICE OF THE STATE SUPERINTENDENT

I alluded to this in an earlier question. The pass-through of funds does not work in our state. The interpretation is that there is a year's delay from when the child generated the dollars to when he actually receives the dollars. As a result, when we can have a child leaving the institution the money that is being spent on that child at the present time is still committed to the existing project and does not follow the child until the following year. I have talked to Joyce Brome, Bureau of Education for the Handicapped, regarding this. I believe the issue needs to be raised either with Congress or the Bureau to either allow eligibility for Part B money, or make the flow-through of 313 dollars immediate.

NEBRASKA-DEPARTMENT OF EDUCATION

There are problems with the pass-through of funds to the LEAs because of the rural nature of a state with over 1,000 school districts. An individual LEA may have only one transfer child, and with the restrictions placed on how the money can be spent, it is often difficult to effectively utilize the funds. None of the children have been de-institutionalized because 89-313 funds pass through to the LEAs. Nebraska has been a leader in de-institutionalization for several years and numerous community based programs are found throughout the state.

NEW JERSEY-DEPARTMENT OF EDUCATION

This well intended amendment causes us problems. In our opinion it should be struck out since handicapped children in LEA's will be picked up in the P. L. 94-142 head count. The amendment, well intended, is another bureaucratic dilemma to both SEA's and LEA's. Programs staff indicate that anywhere from 6 to 12 children are deinstitutionalized each year. The amount of time and effort to follow through on these children costs three times as much as the funds involved.

NEW YORK-STATE DEPARTMENT OF EDUCATION

Yes, on a limited basis. Many school districts that have eligible children do not wish to submit a project for small numbers of eligible children since the benefits are disproportionate to the staff time spent in applying for the funds.

In Fiscal Year 1978, there were, based upon Fiscal Year 1977 ADA figures, 1,975 eligible children de-institutionalized, who will benefit from Public Law 89-313 funds.

NORTH CAROLINA-DEPARTMENT OF INSTRUCTION

- (a) The special funds to LEAs for children transferring from State institutions to LEAs have been used in our State. Since the State agencies do not have sufficient personnel nor the system to track children who leave the institutions, they have no way of determining the number of children who are in LEAs. The State agencies are knowledgeable only of the number of children who leave the institutions and can track them usually to a local mental health clinic, but not to a school operated by an LEA. Our source of data for the number of children who are returned to a classroom in an LEA has been the LEA itself submitting the data on the number of children. Less than half of the LEAs have responded to the headcount. It is assumed that some LEAs either have no children to be identified as having been in an institution, or administrators find that preparing a project and reporting on the use of funds exceed the benefit to the children.
- (b) No children have been deinstitutionalized because of the 311 funds as far as the State agencies are aware. Since 311 funds usually provide supplementary services as described in #11, it is doubtful that the 311 funds have impacted on the deinstitutionalization of handicapped children. Title VI-B funding has had a greater impact on deinstitutionalization because LEAs have established more programs for severely handicapped children, thus providing placement possibilities for previously institutionalized children in the LEA.

NORTH DAKOTA-DEPARTMENT OF PUBLIC INSTRUCTION

Yes, but it's an awkward inefficient piece of legislation. About 25-27 students and \$13,000 are involved.

PENNSYLVANIA-DEPARTMENT OF EDUCATION

The provision which allows 311 funds to pass through to the L.E.A.'s was most beneficial when the Pennsylvania Department of Education assumed the responsibility of providing the educational program in Department of Public Welfare owned institutions and residential facilities. In this case, the population remained constant, and the administrative responsibility changed.

The Department of Education tried for two years to figure out a procedure to have the funds follow the children from the approved private schools sector to the public schools to no avail because of the fact that we are dealing with 505 school districts and 29 intermediate units. The problem was compounded by the fact that some children are educated by the intermediate unit, some by the school district, some by the combination, and in every case the school district has the bottom line responsibility for providing an educational program for all school aged children.

Although a number of children have been de-institutionalized in the past few years, it would be impossible to specify how many were as a result of \$9-311.

TENNESSEE-STATE DEPARTMENT OF EDUCATION

This provision does not seem to be an incentive to de-institutionalize children. Our impression is that it is often rather difficult for school systems to obtain this money and that much or some of it reverts to the institutions as it is not used by the LEA. The LEA's may feel that it is not enough money per child to "jump through the hoops."

TEXAS-EDUCATION AGENCY

Comment:

The pass through provisions have made it possible in this state to prevent institutionalization of some children. These are children from state paid community center educational programs. The system of following the children from institutions to local education agencies is still being strengthened.

WISCONSIN-DEPARTMENT OF HEALTH AND SOCIAL SERVICES

In response to the first part of your question, the provision has not worked within our state and I feel the federal government is probably about two to three years behind in determining how much money should be withheld to go back into the LEA's. Here in Wisconsin the majority of our youngsters within our state residential facilities for the developmentally disabled are at the severe and profound level; therefore, not as many will be returning as have in the past nor as rapidly, yet the amount of money that is being retained for this purpose to follow the youngster into the LEA is still at an unusually high level. In Wisconsin it has been \$400,000. I really think this is an exorbitant amount and needs to be adjusted downward to accommodate the changing population and to recognize the fact that there are not going to be as many youngsters returning to the community as rapidly as they have been in the past.

How many children have been deinstitutionalized as a result of this; I really cannot say that P.L. 89-313 funds is the basic cause of children being returned to the community. I think it is a variety of variables occurring that enable us to move along in this concept of deinstitutionalization. One has to recognize the movement of the state as a whole and the level of programming to make a determination as to the contributing factor, if any can be identified, as affecting deinstitutionalization. Again, let me say that I am not sure that we can pinpoint how many children have been deinstitutionalized as a result of P.L. 89-313 funds although I must say that I am sure that access to these funds have been a contributing factor to getting the youngsters ready for movement back to the community. I think it is also the attitude of the community and the state of the art at this particular point in time that enables communities to gear up and provide programs and services for these youngsters upon their return to the community. I think another major factor is the development of the group home or foster home concept that enables movement of youngsters from the state residential facilities into these kinds of facilities within a community that has moved ahead in developing services to accommodate youngsters. Nevertheless, through the availability of these funds the kind of programming introduced has certainly contributed to the overall development of these youngsters so that they can participate in a group home setting. It is one part of a total treatment package that exists within state residential facilities that enables the youngsters to return to the community.

QUESTION 11. COULD YOU GIVE SOME EXAMPLES OF HOW 313 MONEY IS SPENT, THE TYPES OF PROGRAMS, SUPPLIES AND/OR SERVICES THAT ARE PURCHASED?

Possibly the most difficult item in reviewing 89-313 is to come up with a simple explanation which illustrates a common use of funds in view of the many disabilities that are served in a variety of institution and agency settings. With an unlimited diversity of services and equipment it is difficult to specifically outline how funds are used for equipment, supplies and services. The attached chart represents what state agencies reported that they used 313 funds to purchase. In the section on state plans there is also a listing of how individual projects (within states) propose to spend their dollars.

313 funds purchase the following programs:

Parent Training Services Workshops
 Staff Training
 Pre Vocational Training
 Vocational Training
 Summer School Instruction
 Development of Language and Communication Skills
 Extension of Early Education Programs
 Enrichment Activities through Music and Art
 Programs in Behavior Modification
 Diagnostic and Perceptive Reading
 Sex Education
 Curriculum Development and Revision
 Funding of Infant Stimulation Programs
 Funds to Mainstream Children
 Funds for Preschool Children
 Rural Model Programs (Oregon - to Provide Teacher Aides for Handicapped Children in Rural Communities)
 Field Trips
 Manual Arts
 Homemaking Arts
 Perceptual Skills Development Program

313 funds purchase the following supplies:

Instructional Equipment and Supplies
 Maintenance and Repair of Title I Equipment
 Speech and Hearing Equipment
 Electronic Instruments
 Self-Teaching Devices and Machines
 Closed-Circuit Television Systems
 Audio-Visual Supplies
 Car Rentals (Connecticut)
 Adaptive Developmental Equipment
 Auditory Trainers (for the Hearing Handicapped Students)
 Auditory Equipment (for Hearing Impaired)
 Supplies of the Expendable Nature (Pencils, Pens, Markers, Braille Paper)
 Specialized Equipment such as Violins, Cellos, Travel Cans, Cassette Recorders
 Overhead Projectors, Filmstrip Projectors, Laminators, Copy Machines
 Wheelchairs
 Furniture
 Transportation
 Cerebral Palsy Fees
 Assessment Tools

313 funds purchase the following services:

Speech Pathologists
 Physical Education Teachers
 Aides
 Food Services
 Psychological and Counseling Services
 Physical Therapy
 Library Services
 Educational Consultant Services
 Psychotherapy
 Parent Counseling
 Secretarial Assistance
 Home School Coordinators
 School Nurses
 School Social Workers
 Salaries for Educational Programs
 Dental Services (Vermont)
 Mobility Instructors (for the Blind)
 Fiscal Account Clerks (Ohio)
 Teacher Salaries
 Tutor Companions or Individual Aides
 Swimming Instructor (South Dakota)
 Medical Evaluations (Puerto Rico)
 Occupational Therapy
 Audiologists

*The following states did not reply to the questionnaire:

Alabama
 Utah
 West Virginia
 Michigan
 Kentucky
 Kansas
 Rhode Island

*Although Tennessee, Montana, and Colorado have answered the previous questions they did not answer this question.

PART III

SUB-PART B

INSTITUTIONS AND ORGANIZATIONS RESPONSES

ANALYSIS OF RESPONSES FROM INSTITUTIONS & ORGANIZATIONS

Part A of this Section was an analysis of responses received from state agencies. Their point of view and perspective reflects their role as administrators and the parties ultimately responsible for the dollars at the state and local levels. This section is a summary of the responses from those institutions, organizations or agencies that are the recipients of the 313 dollars. Their views are not necessarily the same as that of the agencies who responded in part A. Their primary concern is for getting the dollars and carrying out the programs. These are the people who have the day to day responsibility for providing actual services to and have day to day responsibility for developing, administering, and carrying a and program for one institution or agency and usually one disability.

QUESTION 1. SHOULD THE 89-313 PROGRAM CONTINUE EXACTLY AS IT IS? IF YOUR ANSWER IS YES, COULD YOU EXPLAIN SPECIFICALLY WHY? IF NO, WHAT NEEDS TO BE CHANGED AND WHY?

Of the responses from institutions, agencies and organizations there is general support for 89-313 but many problems were raised. Among the problems cited are:

- (1) There has been no increase in funds available under 313 to equalize the inflationary factor.
- (2) Agencies generally disliked the follow-the-child provision because the money they lose is often not replaced once a child is transferred.
- (3) Funding comes after services are provided and they feel it should come before. Overlapping fiscal years often create problems.
- (4) Many institutions complained about the red tape, bureaucracy and restrictions imposed by the state and not the federal government in administering this program.
- (5) There was concern that funds are not available for individuals over chronological age of 21 and there was feeling that mental age and not chronological age should be the basis for expenditures.
- (6) Several institutions claim that there is a need for more flexibility in guidelines in order to allow programs more latitude.

THE FOLLOWING ARE RESPONSES FROM THOSE INSTITUTIONS, ORGANIZATIONS, AND AGENCIES WHO FEEL 89-313 SHOULD REMAIN THE SAME.

EPILEPSY FOUNDATION OF AMERICA, WASHINGTON, D.C.

The major problem as we understand it from talking with various states is in regard to the procedure for head count. Previously, a head count was taken twice a year, on October 1 and February 1. Now, as we understand it, there is a once-a-year head count on October 1. This creates some real problems within the system as October is probably the worst month for the head count to be taken in that children are just returning to school, problems are just beginning to be diagnosed and treatment plans formulated. Consequently, many children for whom institutional placement seems to be the best alternative do not enter the institutions until after the October 1 head count date and, therefore, are not counted.

SOUTH DAKOTA SCHOOL FOR THE DEAF

For us, I would like to see the basic applications of 89-313 remain unchanged except for the rule that funds follow the child. In our particular case, we are in a hold harmless situation and each time a child goes to public school, funds decrease although our enrollment is on the increase.

OREGON SCHOOL OF THE DEAF

It would be my impression that this program should continue as it is because it provides the school administration with ways of supplementing the general education program. Administrators at Oregon State School for the Deaf have used these monies to provide audiological evaluations, auditors training, psychological services, inservice training for teachers, and pre-vocative education programs designed to help meet each individual child's educational needs. Should this funding be discontinued, these and other innovative programs would not be available to the students.

PENNSYLVANIA EASTER SEAL SOCIETY

Yes. Amount of funding depends upon children served. We depend upon these funds for new programming and/or additional services the staff and Society believe would add to our Educational Program. However, the requirement for proposing every year an entirely new aspect to a Grant Program, or a completely new emphasis, takes time away from implementing program. If grants were renewed without this stipulation, valuable time for program would be saved.

PENNSYLVANIA EASTERN STATE SCHOOL AND HOSPITAL

I believe that P.L. 89-313 funding should remain as it is so that a climate of competition will continue between local education agencies who will control most of the PL 94-142 funds and the non-public school agencies which are often free to develop new and innovative programs. This appreciation of the non-public school sector will establish a greater array of program alternatives for individual educational plans under 94-142.

NORTH CAROLINA SCHOOL FOR THE DEAF

There has been no increase in funds available under 89-313 to equalize the inflationary factor. The result of this has been that the program have had to be reduced in the individual schools year after year because of the inflationary cost of maintaining certain functions. A very important change is to provide increase financing so that we could at least continue at the same level in spite of inflation.

COLORADO DEPARTMENT OF INSTITUTIONS: DIVISION FOR DEVELOPMENTAL DISABILITIES-CENTE HOME AND TRAINING SCHOOL

It is our opinion that 313 money be continued for the following reasons:

1. To prevent regressing in what has been achieved.
2. Continuation of infant stimulation programs.
3. Provide services for the profoundly retarded and seriously multi-handicapped children.
4. Prepare the severely handicapped children for possible entry to the public school system.
5. Door to door pick-up and transportation.
6. Allow public schools time to develop adequate facilities and staff so that the TMR will have a program to meet their profound needs.

NEW MEXICO ASSOCIATION FOR THE DEAF

The executive board officers of the New Mexico Association of the Deaf feel that 89-313 should continue exactly as it is. Institutions such as ours are in a safe harmless position, which means that we are guaranteed an amount of money. Without 89-313 our school would be out approximately \$110,000 per year. Those programs that are funded with the soft money are speech therapy, media, audiology, and linguistics development. If 89-313 provisions were repealed and the funding seized, we doubt that the state would make up the funds entirely.

NEW YORK STATE SCHOOL FOR THE DEAF

Basically, yes. However, contending with overlapping fiscal years, and the school year, is something of a problem; New York State fiscal year begins April 1. The new federal fiscal year is just enough out of sync with the usual school year, September 1, to present a problem in coordinating projects with the school year.

WESTERN PENNSYLVANIA SCHOOL FOR THE DEAF

Yes, or with only minor modifications. The 89-313 funds have provided essential monetary supplements to promote innovative programs which would have been impossible to finance through ordinary resources. Without such innovations, educational programs not only remain static but stagnate. Especially in areas of special education and sensory handicap, such as deafness, new break-throughs continue to be both possible and potentially significant. Electronic advances for example, are increasing optimum use of residual hearing, but the implications for deaf children can only be determined through examination in an educational setting.

KENTUCKY SCHOOL FOR THE DEAF

In the estimation of the Kentucky School for the Deaf, the 89-313 program should continue. Presently, because it is almost 100% personnel monies, it is imperative that this funding continue. In terms of proposed changes, it is suggested that funding be based on the student population of the current academic year, rather than on a fiscal year two or three years preceeding the year of the funding. Also, there needs to be some laxity regarding the expenditure of 313 funds to include the purchase of more hardware and supplies. Presently, in Kentucky, most of the funding is for personnel needs only.

MARYLAND SCHOOL FOR THE DEAF

I am not familiar with the specifications within this Act and, therefore it is difficult for me to respond to this question; however, as far as the Maryland School for the deaf is concerned, the program has functioned well. It would be helpful if some change could be made so that programs could be approved earlier thus giving the school more time to plan for implementation of the program.

MINNESOTA SCHOOL FOR THE DEAF

Yes. Continue as is because it is now open to all students without naming a specific "target group." It is impossible to provide funds for a select group of students while maintaining integration of those kids with the other "more normal" students. These students should not be isolated as any target group. As with everything, it would be helpful to have more funds and to have guidelines written in a language that would be more beneficial for the teacher.

THE FOLLOWING ARE RESPONSES FROM INSTITUTIONS, ORGANIZATIONS OR AGENCIES WHO WANT 89-313 CHANGED.

MONTANA-BOULDER RIVER SCHOOL AND HOSPITAL

No, the 89-313 program should not continue as it is. A larger allotment of money is needed. As the move toward de-institutionalization progresses through the country, the children who will continue to reside in state institutions will be extremely handicapped. Public schools will develop programs to serve children with mild to moderate, and in some cases, severe handicaps of any kind. Those in institutions will require intensive training in order to develop necessary skills. This training will be costly. Secondly, though I recognize the need for some control of supplanting of state services, the "supplemental" requirement needs to be allowed to be more flexible. The state is providing more and more services which are lost to Title I even if the amount of service is not enough to meet the child's needs. With the degree of handicaps in these children, we all need to work on several priorities rather than act as a number of splintered groups attempting to each change a small part to make a better whole.

MISSOURI-ST LOUIS DEVELOPMENTAL DISABILITIES TREATMENT CENTER

In response to the first question on the continuation of the program exactly as it is, my response is no. As the program stands now, funds are not available to clients over the age of 21. This age limit is detrimental to children and adults who are developmentally disabled and mentally retarded. Therefore, I feel that the funds should be provided for individuals by their mental age and not by chronological age.

PENNSYLVANIA SCHOOL FOR THE DEAF

In answer to the question should 89-313 continue exactly as is, my answer is absolutely, and categorically, not. 89-313 was structured in such a way that it has been instrumental in increasing the operating costs of those institutions availing themselves of the funds. I am well aware of the original intent to stimulate innovative programming, but the realities of this rather naive assumption become apparent to most administrators once they accepted the money. At our institution for example, the \$100,000 or so dollars have been used to create programs which, while seemingly innovative, really exist to continue the money. The game of innovation must be replayed every two to four years, depending on the individual personalities of the individual Federal expeditors in the individual state departments.

IOWA ASSOCIATION FOR THE DEAF

- We believe the following changes would improve the program:
- The guidelines should have more flexibility in order to allow local programs more latitude in determining their needs priorities.
 - The program should be administered in a more even-handed manner. A program that was considered exemplary in another state was the counterpart of a program that was rejected in Iowa.
 - The forms for applications are redundant, thus requiring more time and paper work than necessary.
 - It is very difficult to submit an evaluation that is meaningful to others, using the required criteria.
 - Funding does not take into account rising salary scales and the increased cost of "fixed charges". It has been necessary in this school, to drop two 89-313 positions each year for several years in order to fund the balance of the program.

NORTH NEW JERSEY TRAINING SCHOOL AT TOTOWA

No. The 89-313 program has allowed New Jersey to provide basic educational services to approximately 3500 institutionalized handicapped children. We rely heavily on these funds to enable us to maintain these services on a yearly basis. However, there are some inherent problems with ESEA Title I. One of the problems is that the appropriations are based on an Average Daily Attendance

count taken on October 1 of the preceding fiscal year. Therefore, if a child is admitted to an institutional program after October 1, he does not get counted as eligible for Title I funds. This is particularly significant in the Mental Health Hospitals where the rate of admissions generally increase during the winter. Therefore, it is recommended that two counts be taken during the year and the appropriation to the states should be determined on these two counts.

Another difficulty has been that the yearly appropriations have been decreasing. The erosion factor has been as high as 25%. This results in difficulty in planning and developing new programs and increasing concern as to what programs we will be able to maintain. Assurance of at least the same level of funding would assist us in being able to plan future programs.

The institutions in New Jersey recently have been encountering another problem. Because of the increasing availability of resources for placement outside of the institutions, the children who are admitted to the institutions have become lower functioning. We are providing services for more severely handicapped and chronic residents. Once these residents reach the age of 21, they are no longer eligible for Title I funds, and therefore, receive very limited programs. Since these patients generally remain in the institutions for long periods of time, often for their lifetime, it is important to continue to provide educational services to them. If they are "closed out" after 21 years of age, they often regress quickly and much of the work and effort that has gone into training that child is lost. It is recommended that this restriction of 0-21 Eligible be made more flexible so that we can continue to work with residents over the age of 21.

QUESTION 2. WHAT WOULD HAPPEN IF THE 313 PROVISIONS WERE REPEALED AND TOTAL FUNDING CEASED?

The responses to this question from institutions, organizations and agencies were clear and consistent in the claim that most supplemental services would be terminated if total funding ceased. It should be noted that none specified why if these services were so valuable and necessary, states would not provide the money to pay for them if federal money ceased. The responses claimed that the following would occur:

- (1) Personnel, including teachers and aides, would be lost.
- (2) Supplies and materials would be cut significantly.
- (3) Services, such as psychological/counseling, would be lost.
- (4) Continuity of programs would be disrupted.
- (5) Services to supplement state efforts would be lost unless states replaced the dollars.

The loss of all these services to institutions, organizations and agencies implies that the full educational needs of children served in these institutions will not be met without 313 funds. It must be noted that nowhere in the responses was there any mention of the mandate for full educational opportunities as required by P.L. 94-142 and the more recent regulations for Section 504 of the Vocational Rehabilitation Act. From the responses it seems clear that these people believe there would be drastic setbacks to their programs if 313 dollars are lost. At the same time, however, the lack of awareness of or reference to state laws or other Federal laws which provide money for education for the handicapped raises serious questions about the coordination or communication between programs.

THE FOLLOWING IS A REPRESENTATIVE SAMPLING OF RESPONSES CITING AREAS WHICH WOULD BE EFFECTED IF 313 FUNDING CEASED.

SOUTH CAROLINA SCHOOL FOR THE DEAF AND BLIND

- (1) Those funded programs which have not been completely picked up by local funds would have to be discontinued even though the impact of each on the development of our students can be clearly documented.
- (2) It would be such a strain on our operational budget, that we would not be able to initiate many, if any, experimental projects which could have a great potential impact on the educational development of our students.

KENTUCKY ASSOCIATION FOR THE DEAF

If 89-313 provisions were repealed and total funding ceased, the Kentucky School for the Deaf would lose 17 personnel: 1 director (Learning Resource Center), 2 supervising teachers (Lower School, Middle School), 1 audiologist, 8 elementary teachers, 2 clerical personnel (1 senior clerk typist, 1 senior clear stenographer), 2 teacher aides, and one social worker, amounting to approximately \$160,000. This represents approximately 24% of the total professional staff at the Kentucky School for the Deaf. The results would, therefore, be devastating, if funding ceased.

PENNSYLVANIA SCHOOL FOR THE DEAF

With regard to what would happen if 89-313 provisions were repealed, this should be obvious from the above response, since a big chunk of our annual income is in 313 funds. To repeal this Act would be to either drop all programs, or go to the State for additional operating revenues to offset the loss of these monies. In Pennsylvania, in private institutions such as ours, you have a Catch 22 situation. On the one hand the legislation imposes a financial ceiling on private schools for the handicapped, and on the other hand they urge us to accept 313 funds. As we shift these funds, we increase our operating costs. At the same time, the legislature refuses to increase the ceiling on payments, so, in a sense, the 313 monies force us into a deficit position.

WESTERN PENNSYLVANIA SCHOOL FOR BLIND CHILDREN

Without 89-313 funds WPSBC would not have been able to do an in-depth study of objective programming for young multiple handicapped children. As a result of positive findings and some remarkable successes, the School has made such programming a part of their regular school operation and a commitment to the further development of such programming for children in Western Pennsylvania. Presently 89-313 is making possible a project at WPSBC addressed to the needs of low functioning visually impaired adolescents. Very few educators are past the recognition of the problems. The results of this project will be an educational contribution to meaningful programming for the complex population and for realistic plans for their adulthood.

MINNESOTA SCHOOL FOR THE DEAF

We'd lose materials, valuable Teacher Aides and Houseparents. Because we are a residential program, this would cut seriously into the low ratio needed to work with children who must have a full program and a complete peer group, not only during school, but in after school activities. There are many students who are still in our program and are doing successful because they have had the benefit of a small adult to student ratio. We would be unable to provide a lot of valuable first hand experiences if we did not have the funds available through 313 for extracurricular activities. We would also lose the expertise in the area of consultation that has been provided through these funds.

NEW YORK STATE SCHOOL FOR THE DEAF

- A. Many important services would be lost particularly in the areas of psychological/counseling services; media and mediation of the curriculum; curriculum development and supervision; health services; programs in the humanities, etc.
- B. In-depth program development would suffer since we could not bring concentration of money together in personnel and materials at the right time.
- C. Positions critical to the effectiveness of our program are funded through 89-313 projects; there is little chance the State would assume fiscal responsibility for them.

SOUTH DAKOTA SCHOOL FOR THE DEAF

We would be without many special services that we are able to provide through 89-313, speech, therapy, itinerant teachers, tutor aides, etc.

UNIVERSITY OF WASHINGTON, SEATTLE

The present level of funding provided by the State would not be sufficient to maintain the level of programming required for residents in the State institutions. At the present time, the students in residential institutions are receiving a 220-day school program. Childing in public schools are receiving a 180-day program. The justification for providing a 220-day program is that the children residing in institutions do not have the opportunity to go home during the summer or go to Disneyland for a vacation. Another more cogent reason is that stopping a program for an individual just learning to walk is like taking an infant in a home who is just beginning to walk around the coffee table and depriving him of the opportunity to practice for three months. The educational programs provide the needed continuity for the children which would not occur if the programs were terminated during the summer months.

NAPA STATE HOSPITAL-CALIFORNIA

In California, in state supported and operated schools, if 313 provisions were repealed and total funding ceased, the effect would vary from institution to institution. There are no standards or minimum educational support. Some institutions, or individual programs within the institutions, are fairly well supplied with educational staff, others are meagerly or not supplied. The monies provided through 313 have provided a minimal base for programs or institutions with meager state funding. Removal of 313 funds without replacement would result in a great imbalance in educational efforts among the institutions and programs.

MARYLAND SCHOOL FOR THE DEAF

This would really cripple the School program. Title I has worked very well in providing new services and expanding existing services to deaf students enrolled at the Maryland School for the Deaf. We could not have provided this growth in services if we had to depend entirely upon state funds. If Title I funds were no longer available, we would have to drastically cut back in services provided to our students specifically in the area of individualized instruction with use of teacher aides, the Parent Counseling Program and the work/study program and certainly this action would hinder the development of any new and innovative programs here at the school.

WASHINGTON-TROUBLESHOOTERS OFFICE OF NORTHWEST CENTER FOR THE RETARDED

- A. The severely-profoundly-multiple-handicapped child, the one who is least able to compete for his share of the educational dollar, would be left out.
- B. Singular handicapped children in rural areas would no longer have the protection of supplemental support funding.

THE FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

All of the services offered the children to supplement the state's efforts would be lost unless the state were to make up the cost of the programs now being offered with 89-313 funds.

DISTRICT OF COLUMBIA-EPILEPSY FOUNDATION OF AMERICA

We think that if the 313 provisions were repealed and total funding ceased the situation in almost every state would be a disastrous one. It would appear to us that a large number of professional positions would be lost. In most every state no local or state monies would be available to pick them up. Consequently, the full educational needs of the children would not be met.

DEPARTMENT OF HUMAN RESOURCES-NORTH CAROLINA SCHOOLS FOR THE DEAF

If 313 provisions were repealed, all of the children at NCSD would be denied some of the special educational programs which were designed specifically to meet their additional needs. The 313 monies which have given these provisions have been used for specific programs that state monies cannot and do not provide.

GOVERNOR BAXTER SCHOOL FOR THE DEAF-MAINE

The State of Maine would not provide funds to carry on the programs of 313. If these funds were repealed, total funding would cease.

CALIFORNIA SCHOOL FOR THE DEAF

If the 313 provision were repealed and total funding ceased, it would mean that a number of very important supplementary services would have to be deleted. These would include such important services as staff development, instructional media, computer-aided instruction, teacher aides, and a great deal of curriculum development. The latter results from the ability to bring teachers together in workshops for the purposes of developing curricula.

COUNCIL OF ADMINISTRATORS OF SPECIAL EDUCATION INCORPORATED

In polling several of our states involved in the CASE operation, it was noted that many of the institutional programs involving 89-313 would not be able to provide full-blown programs as state funding usually only applies to basic operations. Consequently, 89-313 funds are needed to provide embellishment to such basic programs.

IOWA ASSOCIATION FOR THE DEAF

If the state did not allocate money to replace the lost 313 money, it would mean that the staff would have to be reduced drastically. The effect would be that the most severely handicapped, who need much individual attention, would be deprived of a fair chance for education and rehabilitation. All pupils would be adversely affected if class size had to be increased to offset staff reduction.

QUESTION 3. WHAT WOULD HAPPEN IN YOUR STATE IF THE 89-313 MONEY AND LEGISLATIVE AUTHORITY WERE COMBINED WITH PL 94-142?

The institutions, organizations and agencies appear to be generally concerned about the possibility of combining 89-313 with 94-142. They cite a variety of reasons, some valid, some perceived. The bottom line in their concerns, however, is the ultimate loss of dollars unless there is some protection for the existing programs. At the present time states are receiving between \$415 and \$625 per child served under 89-313, while 94-142 children are receiving only \$70 per child.

THE FOLLOWING RESPONDENTS INDICATED THAT A VARIETY OF PROBLEMS WOULD OCCUR IF 89-313 MONEY AND LEGISLATIVE AUTHORITY WERE COMBINED WITH 94-142

CALIFORNIA SCHOOL FOR THE DEAF

It appears at this time that if 313 money and legislative authority were combined with PL 94-142 that the individual residential schools for the deaf would receive considerably less money than is currently the case. As it stands, the residential schools are not scheduled to receive any money at all from PL 94-142 and it seems rather doubtful that if 313 money were combined with the 94-142 money that we would receive as much money under those circumstances as the schools are currently receiving.

UNIVERSITY OF WASHINGTON-SEATTLE

I personally feel it is essential to keep the money for children in institutions separate and specifically earmarked for the residents of institutions. The level of funding for 94-142 is not sufficient to replace the 89-313 funding which is presently being received. If the 89-313 monies were discontinued, it would result in a loss of programs for the institutional children.

MAINE-GOVERNOR BAXTER SCHOOL FOR THE DEAF

Combining 313 money with Public Law 94-142 would probably mark the demise of any kind of enrichment programs at our school. With the money tied into this law, there would be a mad scramble for funds and programs and existing state institutions would suffer.

COUNCIL OF ADMINISTRATORS OF SPECIAL EDUCATION, INCORPORATED

In talking with members from different states, it was felt that there would be little advantage from a fiscal standpoint in combining 89-313 and 94-142 as there would be a drastic reduction of funds available for some programs. It would appear that 94-142 will need several years of maturing before it will reach the dollar-per-head available in 89-313.

SOUTH CAROLINA SCHOOL FOR THE DEAF AND THE BLIND

The only consensus of our staff on this point is that far too little is known about the implementation of P.L. 94-142 to be able to answer this question with any authority. It does seem possible that at some point in the future, the funds could possibly be combined; nevertheless, this would appear to us to offer many logistical problems. In our case, there may be an unnecessary entanglement with local school system funds which could introduce funding and programming delays if 89-313 funds were combined with 94-142 funds. As a result, we feel that the programs should remain separate at least until all questions can be answered about how the two programs could be interphased without reducing their individual or collective impact.

KENTUCKY SCHOOL FOR THE DEAF

If 313 monies were combined with 94-142, the Kentucky School for the Deaf would stand to lose considerable ground, for the school has been advised that, since it is not a local education agency, it will not qualify for funding from Public Law 94-142. Therefore, 313 funding, combined with this, would completely by-pass the Kentucky School for the Deaf. Simultaneously, Public Law 89-313 was intended specifically for state-wide educational programs as opposed to Public Law 94-142, which places all of its emphasis on local education agencies. It would therefore not be in compliance with the original intent of either law to combine these monies or combine their respective legislative authorities.

KENTUCKY ASSOCIATION FOR THE DEAF

If 313 money and legislative authority were combined with Public Law 94-142, the Kentucky School for the Deaf would stand to lose considerably, for the Kentucky School for the Deaf is not entitled to minimum foundation monies in Kentucky. Presently, Kentucky seeks to provide the financial benefits and support of Public Law 94-142 to local school districts only.

NORTH CAROLINA SCHOOLS FOR THE DEAF-DEPARTMENT OF HUMAN RESOURCES

So far as the programs for the children at NCSD, there would be little change if 313 money and 94-142 money were combined. If the combination of this money were to mean that all of our children at NCSD be mainstreamed into a public class which proved to be unsuitable but was mandated simply because of the combination of the money, then the move would be detrimental rather than appropriately supplemental and meeting specific needs of handicapped children.

IDAHO STATE SCHOOL FOR THE DEAF AND THE BLIND

The use of 313 funds would be curtailed. Our school is not in the Department of Education. The Department of Education will dictate the use of P.L. 94-142 funds.

THE FLORIDA SCHOOL FOR THE BLIND AND THE DEAF

All of the funds for our school would be lost unless the guidelines for 94-142 were changed. Also, the amount of money this school would receive under the 94-142 formula would not be as much as under 89-313.

MARYLAND SCHOOL FOR THE DEAF

I believe that this again would cause a reduction in the services available to students here at the Maryland School for the Deaf. It would be my feeling that schools established with the prime purpose of providing highly specialized programs to specific disability groups, i.e., deaf, blind, etc., would suffer under such a change.

OREGON STATE DEPARTMENT OF EDUCATION-SCHOOL FOR THE DEAF

Legislators often mention that PL94-142 should replace 89-313 money. It is our understanding that the PL94-142 money will be insufficient to have any significant impact upon educational processes of the school.

EASTMONT TRAINING CENTER-MONTANA

Being a state institution, I would surmise the Office of Public Instruction would have to initiate a policy regarding whether or not specific allocations could be made to state operated institutions. If not, the program funds presently available to institutions would be discontinued.

The following respondents indicated some positive outcome if 89-313 money and legislative authority were combined with 94-142:

MAINE PROJECT CHILD FIND

There seems to be two different groups of people and two different hands in the same pocket to provide services for handicapped kids. It seems reasonable that the combination of 89-313 monies and legislative authorities be combined with that of PL 94-142.

CALIFORNIA-NAPA STATE HOSPITAL

If 313 money and legislative authority were combined with PL 94-142, it could very easily result in improved services. The administration of 313 projects is through the department offices in Sacramento. PL 94-142 programs are administered through the county superintendents of schools. The result now is a dual administrative system which requires an excessive number of persons performing administrative duties. If all funding for education was administered by a single administrative entity, there should be more coherence among educational programs and more effective use of the monies.

QUESTION 4. WHAT PROBLEMS EXIST IN YOUR STATE IN THE PRESENT 313 PROGRAM? ARE THEY ATTRIBUTABLE TO THE LAW, THE REGULATIONS, STATE ADMINISTRATIVE JURISDICTION, ETC.?

Of the responses received from institutions and organizations, only 28 addressed this question.

The remainder either did not address the question, replied that it was not applicable, did not know or claimed that there were no problems. Of the 28 replies, few contained explanations of substance. The entities responsible for providing education do not appear to be aware of the law itself and its overall effect throughout their state or the nation. The tendency appeared to view 313 as a source of federal money and what it buys for their particular agency.

The major problems indicated were:

- (1) The amount of money received has been static.
- (2) The funds come late and the interpretation of how the funds may be used has been confusing.
- (3) There are too many administering agencies involved in allocating funds.
- (4) 313 in some cases is not handled by the Education division. There is a belief that the programs would be smoother if Education was responsible for 313 rather than Title I.
- (5) Changing rules from Washington poses problems.
- (6) Obtaining approval of proposals in time to hire and make arrangements for programs.
- (7) The age restriction (only service to age 21).

THE FOLLOWING ARE EXCERPTS FROM RESPONDENTS CONCERNING PROBLEMS:

THE FLORIDA SCHOOL FOR THE DEAF AND BLIND

The only problem is, as stated before, the amount of money that can be generated by the students has been static and has not kept up with inflation. Also, there is always the problem with changing personnel in the state department in deciding what is and what is not eligible under 89-313 guidelines, when it concerns education.

KENTUCKY SCHOOL FOR THE DEAF

Most of the problems existing in Kentucky, relating to 313 programs are attributable to state regulations, rather than the Federal law itself.

NAPA STATE HOSPITAL-CALIFORNIA

In California, in the Department of Health, there is no office of education nor administration of education services by a central office. The funding of 313 provides a small administrative group in Sacramento to administer 313 projects but it has no authority to enforce educational policy beyond the threat of withdrawing 313 funds. I feel that the above condition is attributable to the theory or fact of the operation of institutions on the "medical model" with attendant de-emphasis on developmental theory, educational theory, or any approach other than that the children and adolescents involved have primarily medical problems.

MARYLAND SCHOOL FOR THE DEAF

As mentioned previously, the main problem regarding the Title I program is getting approval of the proposal in time to hire necessary personnel and make appropriate arrangements for implementation of the program and this problem appears to stem from receiving notification of funding at an early date so that approval/disapproval of programs can be made.

NEW YORK STATE SCHOOL FOR THE DEAF

Problems that exist are attributable, to state administrative jurisdictions rather than Federal. All state procedures for appointment of personnel, acquisition of materials, etc. must be observed and there are many time constraints channeling of requests, decision delays and so on that slow down project implementation. These problems are not the fault of the school's immediate superiors at the state level or of the state office for federally aided programs; each of these offices has been very efficient and considerate. The Division of Budget becomes involved in some instances and great delays have resulted. There have been positions approved in the project, and subsequently disapproved by the Division of Budget, even after funds have actually been allocated for the position.

EASTERN STATE SCHOOL AND HOSPITAL-PENNSYLVANIA

Problems in 313 are in the number of administrating agencies involved. The local and/or regional agency, state office of Mental Retardation and the DOE, all review a proposal before it is approved. There are too many reviewers in competition for authority over the proposal (administrative jurisdiction).

COUNCIL OF ADMINISTRATORS OF SPECIAL EDUCATION, INC.

In polling several states, it was noted that in states where the 89-313 program was handled through the special education division or the special education unit in that state, the operation generally is more smooth than in states where the administration is handled through Title I, ESEA. Several states mentioned that there tended to be a remedial flavor when programs are operated through Title I

Offices. Further it was pointed out that the changing comments, rules, etc. from Washington cause problems as there appears to be changes before the programs even get off the ground for a particular year. Another problem mentioned by several states was the limited administrative funds under 89-313.

CALIFORNIA SCHOOL FOR THE DEAF

Because of regulations and legalistic interpretation, the situation frequently arises where although all professional and clerical staff are working for the benefit of the education of deaf children enrolled, every one of whom is eligible to be the basis for receiving 313 funds, in practice, individuals employed under 313 monies are prohibited from carrying out certain activities on an arbitrary basis. This results in such unrealistic situations as a staff member legally not being allowed to answer a question because the question does not pertain to a project under Title I, 89-313 in spite of the fact that it does pertain to the education in general of the children who are generating those funds. It would appear that a much more realistic review and interpretation of the regulation would be in order.

MONTANA EASTMONT TRAINING CENTER

One perennial problem is receiving budget approval from the State Office of Budget and Program Planning for expending the funds as augmentation monies. They feel our budget should be reduced by the amount allocated via 89-313. In other words, we supply justification of supplemental funding and they simply refuse to believe us. Each year it is approved as supplemental funding; however, only after a bureaucratic hassle.

SOUTH CAROLINA SCHOOL FOR THE BLIND

A major problem we see with 89-313 funds is that a very critical target population of our students can not be served with these funds. We believe that some of the most important programming should occur during the first three years. We also have found that some of the personnel who are responsible for administering 89-313 funds do not possess as extensive a background in hearing and visual impairment as would be necessary to fully appreciate some of the technical aspects of our educational programs proposed for funding.

TROUBLESHOOTERS OFFICE OF NORTHWEST CENTER FOR THE RETARDED-WASHINGTON

The main problem is under state administrative jurisdiction because of poor understanding and communication between the State Office of Public Instruction and the Department of Social and Health Services. In other words, some smart administrators are able to get their children full educational services as opposed to naive institution staff who have a hard time getting the money directly into services for the children.

MINNESOTA SCHOOL FOR THE DEAF

There seems to be a continual lateness in receiving funds and interpretation of how the funds may be used. I realize that between the child and the individual school and the Federal Government, we do have Administrative checks and balances at our own state level. If an aggressive attempt was made on the part of the Federal government to hasten the delivery of the funds and the new guidelines that might be placed on funding, it could help if this was channeled down through the state offices.

NEW JERSEY TRAINING SCHOOL

The basic problems: level of funding, single A.D.A. count and age restrictions were discussed in question #1.

The institutions in New Jersey recently have been encountering another problem.

Because of the increasing availability of resources for placement outside of the institutions, the children who are admitted to the institutions have become lower functioning. We are providing services for more severely handicapped and chronic residents. Once these residents reach the age of 21, they are no longer eligible for these Title I funds, and therefore, receive very limited programs. Since these patients generally remain in the institutions for long periods of time, often for their lifetime, it is important to continue to provide educational services to them. If they are "close out" after 21 years of age, they often regress quickly and much of the work and effort that has gone into training that child is lost. It is recommended that this restriction of 0-21 Eligible be made more flexible so that we can continue to work with residents over the age of 21.

QUESTION 5. DO STATE APPROPRIATED DOLLARS PRESENTLY COVER ALL EDUCATIONAL EXPENSES OF CHILDREN IN ALL STATE SUPPORTED INSTITUTIONS?

Of the institutions, organizations and agencies that responded, the majority claimed that state appropriated dollars do not cover all educational expenses. Those which indicated that state appropriated dollars did cover all expenses did so by saying, "Yes, but the state only pays costs of basic education." Most agreed that the \$13 dollars cover needed supplemental services and that without these dollars there would be little or no expansion of supplemental services or the introduction of new or innovative programs.

THE FOLLOWING ARE EXCERPTS FROM INSTITUTIONS AND ORGANIZATIONS EXPLAINING STATE FINANCING:

UNIVERSITY OF WASHINGTON, SEATTLE

A basic educational program is provided for each child residing in an institution with state funds. If the 89-313 program were to be withdrawn, the basic education provided by the state would be insufficient to provide the needed services for each child. It might be of interest to note the difficulty Washington State is presently having to fund the regular education program and it is not likely the State would provide increased levels of funding for institutional education programs.

KENTUCKY SCHOOL FOR THE DEAF

I doubt that any state supported school for deaf children can honestly report that state appropriated dollars presently cover all educational expenses.

NEW MEXICO ASSOCIATION FOR THE DEAF

State appropriated dollars presently do not cover all educational expenses. Also, we are not sure that the state could pick up the monies for all state institutions if the federal dollar were to be repealed.

NORTH CAROLINA SCHOOLS FOR THE DEAF

At NCSD state appropriated dollars presently cover all basic educational expenses for the children at this institutions. However, 313 money allows us to design supplemental programs for specific handicaps in addition to the deafness that our children have.

NEW YORK STATE SCHOOL FOR THE DEAF

No, not at this school. If there were no 89-313 funds, we would have to run a stripped down program. There would be no psychological services, deficient nursing services, very little audiovisual material and no one to direct the AV program; no programs in humanities; no remedial psychomotor programming; some key spots in supervision would be unfilled; paraprofessionals would be greatly limited, etc.

MINNESOTA SCHOOL FOR THE DEAF

No. The basic type of activity that we call enrichment activities both during the school day and after school hours here at our boarding school, would be seriously impaired because the state does not provide enough of these funds. At the present time, the State does take a major share of funding covering room and board, teacher administrative salaries, and the salaries of other workers on campus. This has become the basic skin and bone operation here at the school.

NAPA STATE HOSPITAL-CALIFORNIA

State appropriated dollars do not cover all educational expenses of children in all state supported institutions. The degree of state support is heavily unbalanced; some programs or institutions receive up to eighty percent of support; others might receive less than twenty percent.

GEORGIA SCHOOL FOR THE DEAF

No. We have many areas of supplemental needs that are not met by state funding.

Examples of these areas in speech and hearing services are auditory training equipment, auditory discrimination materials, and any materials needed for a speech pathologist to function.

VIRGINIA SCHOOL AT HAMPTON

At this state-supported institution No. Parents are responsible for student transportation to and from school, clothing, accident insurance, personal needs, and for a student fee that is charged each student for educational enrichment activities. The state provides all funds for tuition, board, lodging, school supplies and training equipment for each student.

NORTH NEW JERSEY TRAINING SCHOOL AT TUTOWA

No. State appropriated dollars do not presently cover all educational expenses of children in all state supported institutions. It is estimated that the State dollars cover approximately 60% of staff and materials for education.

MARYLAND SCHOOL FOR THE DEAF

I can only respond to this question on the basis of the Maryland School for the Deaf. State appropriations are used to cover the educational expenses of students here at the Maryland School for the Deaf. The program would not stop if Title I money was not available; however, state appropriations presently do not provide for expansion of services and/or the establishment of new and innovative programs.

QUESTIONS 6. HOW HAVE 315 FUNDS BEEN PRIMARILY USED IN YOUR STATE? ARE THEY GENERALLY USED FOR DIRECT OR INDIRECT SERVICES?

In responding to this question the institutions and organizations varied in their interpretation as did those who answered on the State Agency level. The different units interpreted "direct" and "indirect" in their own unique way, what is direct for one is clearly indirect for another and vice versa.

Many of those who responded said the 315 funds are used for direct as well as indirect services. The majority claimed that 315 funds are used for direct services but for the most part did not supply explanations.

Some examples of how 315 funds are used:

DIRECT

Teachers
Aides
Speech/language pathologists
Curriculum Project
Computer Assisted Instruction

INDIRECT

Curriculum development
Staff development
Internal Org.
Materials For Inservice Training

THE FOLLOWING ARE EXCERPTS FROM RESPONSES RECEIVED FROM INSTITUTIONS AND ORGANIZATIONS:

EPILEPSY FOUNDATION OF AMERICA

Most of the Title I funds are being utilized for direct services to provide supplemental education. However, the history of the use of this money is a different one. For many years a good proportion of the money was utilized to purchase expensive materials and equipment to the neglect of the services that the children needed. It is good to see a turn-around in this area.

KENTUCKY SCHOOL FOR THE DEAF

There are 16 positions funded by 313 funds at the Kentucky School for the Deaf. Eleven of these are for direct services and five are for indirect services. Ironically, without 313 funding, the five indirect service positions would be the ones with the most devastating effect on the program, if they were recinded.

NEW YORK STATE SCHOOL FOR THE DEAF

About 90% of our program money has gone into direct services to children. The other 10% into indirect services such as clerical help to carry out the program.

MARYLAND SCHOOL FOR THE DEAF

The funds have nearly always been used for direct services to children enrolled in the program at the Maryland School for the Deaf and to provide services for very young deaf children and their parents.

Specific uses of Title I funds have been:

1. To expand the printing program to include offset printing and to train students in this area.
2. To establish and expand a visual media program here at School.
3. To assist with the training of qualified teachers of the deaf.
4. To establish and to expand a Preschool-Parent Counseling Program for very young deaf children and their parents.
5. To provide more individualized instruction for deaf students through the use of teacher aides.
6. To improve and expand the library services for deaf students.

CALIFORNIA SCHOOL FOR THE DEAF

Funds in this state expended in the residential schools are fairly evenly divided between direct services and indirect services. Funds expended for such components as computer-assisted instruction, teacher aide and instructional media services are a direct service. The funds expended for curriculum development and for staff development are indirect services.

NAPA STATE HOSPITAL-CALIFORNIA

From my observations, 313 funds have been overwhelmingly used for direct services, since there has historically been a dearth of state employed teachers, aides, and speech/language pathologists.

NORTH CAROLINA SCHOOL FOR THE DEAF

With regard only to the North Carolina School for the Deaf, 313 funds have traditionally been used for supplemental educational programs for handicapped children, i.e. specific educational and recreational programs for the multiply impaired, speech programs, teacher aides, and psychological services.

UNIVERSITY OF WASHINGTON-SEATTLE

Primarily the 89-313 money is used to provide direct service to children. A

curriculum project has been funded for developing curriculum for the most severely involved; but even this has had direct consequences for children as nothing had been previously available for the most involved children.

NORTH DAKOTA SCHOOL FOR THE DEAF

313 funds given the North Dakota School for the Deaf are generally used for direct, supportive services depending on individual needs of students. Projected plans call for some future indirect services to hearing impaired preschoolers by providing counseling and direction (language development, auditory training) to their parents.

MONTANA-BOULDER RIVER SCHOOL AND HOSPITAL

At BRS&H they are used in direct services to provide a program emphasizing the development of pre-verbal skills in severely and profoundly retarded children.

PENNSYLVANIA SCHOOL FOR THE DEAF

Most of the administrators that I know spend their funds on hardware, contractual services, or software, to prevent encumbering the operating budget with new personnel. In the private institutions in Pennsylvania, the use of 313 money for capital items is strongly discouraged. Hence, the private schools are probably more effected because they are more likely to use these funds for personnel that later have to be cut back or absorbed in the operating budget; where, in state institutions, administrators can put more 313 dollars into hardware, softening the impact when 313 monies have to be reapplied.

MINNESOTA SCHOOL FOR THE DEAF

I can only speak for the use of funds at the school. We at the Minnesota School for the Deaf this past year, 1976-1977, have used approximately 90% of our Title I funds for Teacher Aides and extra Houseparents to work directly with the students. We then used the balance or 10% of the funds to provide materials and in-service training not only for these 11 workers, but for our Dormitory and Teaching staff. We think this ratio of 90% direct service is adequate.

QUESTION 7. IF MORE THAN ONE STATE AGENCY RECEIVES 313 MONEY, DOES THE USE OF FUNDS DIFFER BETWEEN THE VARIOUS AGENCIES?

In responding to this question, most of the institutions clearly reflected their parochial view of the program. This can be easily explained because they generally only deal with the funding source and would not have any particular reason to have all of the details as to what other state agencies may or may not be doing. Most institutions or organizations that responded to this question could not explain how the use of funds differed. Few responses had any substance. In general answers to this questions were:

1. Unknown
2. Not applicable
3. The use of funds do not differ
4. The use of funds differ
5. Yes
6. No.

The responses which claimed that the use of funds differ between various agencies indicated that this is due to the difference in the target population being serviced and the type of institution the individuals are in (mentally retarded, deaf, etc.)

THE FOLLOWING ARE RESPONSES AS TO WHETHER THE USE OF FUNDS DIFFERS BETWEEN STATE AGENCIES, IF MORE THAN ONE STATE AGENCY RECEIVES 313 MONEY:

DIVISION OF VOCATIONAL REHABILITATION-DELAWARE

Not significantly. Primary difference would be on type of institution and its major thrust: mental retardation, orthopedic, other physical disabilities, psychiatric--but basic services would be similar even though the technique or approach would vary.

SOUTH CAROLINA SCHOOL FOR THE DEAF AND THE BLIND

Although we do not have specific information on how other State agencies are using 89-313 funds, we would presume that there would be some differences in fund utilization since the differences in the respective target populations differs significantly.

IDAHO STATE SCHOOL FOR THE DEAF AND THE BLIND

The State School for the Deaf and the Blind, the State Youth Training Center (Delinquent children) and the State School and Hospital (mentally retarded children) are the only agencies receiving 313 funds in Idaho. Their differences are obvious.

NAPA STATE HOSPITAL - CALIFORNIA

Three departments in California (two agencies) receive 313 funding. The primary difference in the way the use of funds differs is that Corrections and Youth Authority Departments have a well organized central administrative system which can administer 313 funds along with state support funds, while the Department of Health Functions without any central administrative system or policy. 313 funds are "plastered on" a wide variety of semi-autonomous programs and institutions. It would be difficult to make a statement which would be validly descriptive of all of the various programs offering educational services.

NORTH CAROLINA SCHOOL FOR THE DEAF

Again with regard to the North Carolina School for the Deaf, each of the state agencies operates its own 313 budget, however, the monies are used for similar kinds of supplemental educational programs. Inasmuch as it is possible, the three schools use 313 money for developmental programs that complement/support each other within the total NCSD school system.

MINNESOTA SCHOOL FOR THE DEAF

We are not in a position to know that, but as we hear from the grape vine, there is great latitude in how 313 monies are used. This depends on the next level of Administrative Authority that you are under. I do not think that this is correct, and I do not know if the people in the Federal offices can alter this situation. I do think it would be helpful if there was more flexibility.

QUESTION 8. ARE THE 313 DOLLARS SPENT ON THE CHILDREN WHO GENERATE THE DOLLARS?
ARE THERE ANY WHO ARE COUNTED NOT RECEIVING ANY 313 DOLLARS?

The majority of the institutions and organization responses claimed that 313 funds spent on the children who generated them and that there were no children who were counted not receiving 313 funds.

The majority of the institutions and organizations responded in brief form without explanations. As noted in question #7, there were few explanations of substance. Most responses were Yes or No. Those few which responded with an explanation claimed as per the attached.

THE FOLLOWING ARE EXCERPTS OF RESPONSES FROM INSTITUTIONS AND ORGANIZATIONS CONCERNING SPENDING 313 DOLLARS ON THE CHILDREN WHO GENERATE THEM:

NAPA STATE HOSPITAL - CALIFORNIA

Generally, the 313 monies are spent on the children who generate the dollars; however, there are some who are counted who get significantly fewer benefits than others.

EPILEPSY FOUNDATION OF AMERICA

It is probably true that the majority of the dollars is spent on the children who generate the dollars and that the majority of the children who are counted are receiving 313 funds. It seems to us that this situation has improved over the past several years as we know that at one time there were a significant number of children who were not receiving the services being funded by these monies. We think that this system has been cleaned up in the last few years due to the building in of more accountability factors.

NORTH DAKOTA SCHOOL FOR THE DEAF

Yes, the 313 dollars are spent on the children who generate them. To our knowledge, no children are being counted who have not received any benefit from 313 funds. Services to some children may be limited, however, depending on priority of their needs.

EASTER SEAL SOCIETY-ALLEGHENY COUNTY, PENNSYLVANIA

Yes. All children in preschool are evaluated for program and need for the service determines whether child receives treatment.

KENTUCKY SCHOOL FOR THE DEAF

Because the Kentucky School for the Deaf has an enrollment of 410 children who are all children of citizens and residents of the Commonwealth of Kentucky, there is little likelihood that 313 dollars are being spent for any children outside of this category. Additionally, it is safe to assume that every child at the school receives benefits from these dollars. There are no children at the Kentucky School for the Deaf who are counted for our average daily attendance of two years ago who are not receiving some benefit from these funds.

UNIVERSITY OF WASHINGTON, SEATTLE

The 89-313 money which follows students out of the institution when they are placed in the public school is not always claimed by the local education agency. It would appear as though this funding is unnecessary and possibly this is where the 94-142 money should be used in place of the 89-313 money. All of the students residing in residential institutions are recipients of the 89-313 funded programs.

WYOMING SCHOOL FOR THE DEAF

Yes, but in moving toward least restrictive placement as intended under P.L. 94-142 (our opinion of "least restrictive placement" would differ) we lose funds. If funds could be allotted to us for those students who are integrated into public schools and for whom we provide supportive services, we could provide much more meaningful, relevant services and provide more comprehensive support to alternative programming.

EASTMONT TRAINING CENTER-MONTANA

After children are placed in satisfactory and appropriate public school programs, they continue to generate some funds for the institution they previously attended. Therefore, they do generate dollars which are not spent on them. At Eastmont Training Center all the children generate 313 dollars which are spent on them.

QUESTION 9. DOES 313 SUPPLEMENT AND/OR SUPPLANT STATE MONEY? IS IT COMBINED WITH STATE DOLLARS OR KEPT IN A SEPARATE ACCOUNT?

The majority of the institutions and organizations which responded claimed that 313 supplements state money and is kept in a separate account. They claim the programs are supplemental and the federal money makes it possible to incorporate them into existing programs which are later supported with state money.

Most of the responses were succinct, with no follow-up explanation. The few who claimed 313 supplanted state funds did so with no explanation.

THE FOLLOWING ARE EXCERPTS FROM LETTERS RECEIVED

COUNCIL OF ADMINISTRATORS OF SPECIAL EDUCATION, INC.

Our polling of some of the states where the CASE organization exists indicated that \$9-313 dollars is generally used to supplement and that such dollars are isolated so there is a traceability pattern from state dollars.

EPILEPSY FOUNDATION OF AMERICA

In all honesty we would have to respond from our observations and experience that in most states Title I monies are being utilized to supplement and supplant state monies. To our knowledge in most of the states the monies are kept in a separate account.

UNIVERSITY OF WASHINGTON, SEATTLE

To make a distinction as to when money is used to supplant or supplement is not always easy to decide. The programs at the individual institutions have been designed in an attempt to provide supplemental programs, but the very nature of the needs are too great that to decrease the programs by withdrawing the \$9-313 money would be disastrous to the total program. The program accounts are kept separate at the local level and at the state level.

NAPA STATE HOSPITAL-CALIFORNIA

I would say that in most cases \$13 money has supplemented state money. In a few programs it has in effect supplanted state money in that the programs chose not to budget state money for educational purposes as long as minimal services were provided by \$13. The monies are usually kept in separate accounts but each institution makes that decision.

MARYLAND SCHOOL FOR THE DEAF

Title I supplements state money and makes it possible for us to expand our services. This supplemental money has made it possible for us to begin some new programs which were later supported through the use of state money. Here at the Maryland School for the Deaf a separate account is kept on the use of Title I funds.

KENTUCKY SCHOOL FOR THE DEAF

The State Department of Education has been very careful to maintain a distinct separation between \$13 funds and state funds. The state has not permitted the school to absorb existing state positions with Title I monies. Nor has it permitted Title I positions to be absorbed by state money. There is little likelihood, because of the format for the program for each fiscal year in the utilization of \$9-313 funding, that this school could seek to supplant or supplement state money with federal money. Because the expenditure of \$13 monies is expressed in paychecks for professionals and para-professionals, it is safe to state that, while \$13 monies and state monies are kept in separate books at this school, all personnel at the school, regardless of source of funding, are paid on state payroll checks.

MINNESOTA SCHOOL FOR THE DEAF

I would have to say that our state has not seen its way clear to pick up the services that have been provided through \$13 monies in the past. With the Teacher aides that we have, we have asked for the state to take over the payment of these people so that we can guarantee the use of these folks. I think this is where the state should be pressed into indicating that after a period of time, Title I money will be dropped and that the purpose of this money is, at least, to demonstrate programs that can be later picked up and worked with.

QUESTION 10. DOES THE PROVISION WHICH ALLOWS 513 FUNDS TO PASS THROUGH TO THE LEAs PROVIDING EDUCATION TO FORMER RESIDENTS OF STATE INSTITUTIONS WORK IN YOUR STATE? HOW MANY CHILDREN HAVE BEEN DEINSTITUTIONALIZED AS A RESULT OF IT?

The majority of the institutions and organizations responses claimed that the pass through was not working and it was not the factor in deinstitutionalization. In the case of the deaf population the respondents felt the regular classroom programs were just not meeting the specialized needs. Those children, it was noted, who leave the institutions or organizations do so regardless of the pass through funds.

Some of the general feeling about the pass through provision was:

- (1) There is no way of knowing whether or not 513 monies ever reach the children in other educational settings.
- (2) In regard to programs for the deaf, LEA programs are not meeting the educational or social needs of the deaf children.
- (3) The system of funding is unfair in the respect that the total sum goes with the child to the LEA even if the child has been in the residential setting for just a short time.
- (4) 513 funding is held out as a "carrot" to the LEA's to remove children from institutions. It appears to affect their judgment and decisions are based on dollars rather than educational needs.
- (5) There seems to be so little money going from the institution to the LEAs that many LEAs have sent the money back to the institutions.
- (6) The following quote from the Kentucky Association for the Deaf points out the inequity of LEAs not transferring their funds back to the Kentucky School for the Deaf when a student leaves an LEA program for the KSD program:

"Mr. McChord reports that he has been asked to transfer 513 funds any time a child leaves the state school for the deaf and enters a local public school district. So far, this provision has had little effect on the school, for there are no more than three or four alternate programs for deaf children throughout the state. He commented that LEAs were not, in turn, required to transfer funds to KSD when a student left their program and entered the Kentucky School for the Deaf. Somehow, to me, this seems unfair. I do not believe the term 'de-institutionalized' is a fair representation for deaf children who attend state schools for the benefit of a well graded educational program. These students are 'institutionalized' for a short time, but the program at KSD seeks to de-institutionalize children in the residential life program continuum as the the years pass. This provision, in my opinion, was primarily directed toward LMR children. All KSD students, upon graduation, enter the 'normal' world."

THE FOLLOWING INSTITUTIONS AND ORGANIZATIONS CLAIM THAT CHILDREN HAVE BEEN DEINSTITUTIONALIZED BECAUSE OF THE PASS THROUGH:

1. Western Pennsylvania School for Blind Children - 5 children
2. Oregon State Department of Education, School for the Deaf - "None at all"
3. Washington-Triumphdowners Office of Northwest Center for the Retarded - 14 workers, none have been deinstitutionalized.
4. South Dakota School for the Deaf - many children in the past five years.
5. New York State School for the Deaf - 12 over the past five years.
6. Idaho State School for the Deaf and the Blind - about 25 of the 318 registered for 513 funds.
7. Eastmont Training Center-Montana - 384 students in 8 years.
8. Iowa Association for the Deaf - approximately 10 students in 7 years.
9. South Carolina School for the Deaf and Blind - 23 students since 1973.
10. Eastern State School and Hospital-Pennsylvania - 24 students.
11. Arizona Department of Economic Security, Mental Retardation, Arizona Training Program at Tucson - 22 students.
12. Hawaii School for the Deaf and the Blind - 4 children who were previously institutionalized have been able to attend this school due to 513 funds.

Of the remaining responses:

1. They did not address the question.
2. They do not know.
3. The pass through does not work.
4. The pass through works but no children have been deinstitutionalized.
5. It is not applicable.

THE FOLLOWING RESPONSES INDICATE THE PASS THROUGH WORKS:

EASTERN STATE SCHOOL AND HOSPITAL - PENNSYLVANIA

Coordination at this time between LEAS and our institution in order to either deinstitutionalize students or maintain them in the community is through placing 24 students who reside here in the local public school. We have a liaison and expect this to expand. Without 313 funds we would not be able to introduce new programs which require communication, training and the packaging of a good institutional program to be carried out in the district of legal residence to increase the probability of the student remaining here. Also, to give away our workable programs to public schools to prevent institutionalization.

WESTERN PENNSYLVANIA SCHOOL FOR THE BLIND

At our school 3 children have been deinstitutionalized with 89-313 money and 3 have been with Title VI 91-230 money.

EASTMONT TRAINING CENTER-MONTANA

Yes, if the child is not receiving an appropriate education after placement, the dollars are available to LEAs. In six years we have placed approximately 383 students. NOTE: Our age range for student admission is 4-17.

IDAHO STATE SCHOOL FOR THE DEAF AND THE BLIND

- (a) yes
- (b) About 75 of the 338 registered for 313 funds.

NEW YORK STATE SCHOOL FOR THE DEAF

I presume that it does. This is administered at the State level. We are required to report the names of those students who leave our program to enroll in public school programs; this has numbered 13 children over a period of nine years.

SOUTH CAROLINA SCHOOL FOR THE DEAF AND THE BLIND

According to our records, twenty-seven of our students have transferred to local education agencies since 1973.

DIVISION OF VOCATIONAL REHABILITATION - DELAWARE

Yes, the pass through provision does do work in Delaware. No children that we know of have been de-institutionalized as a result of pass through.

THE FOLLOWING RESPONSES INDICATE WHY 313 IS NOT WORKABLE FOR THEM:

NORTH CAROLINA SCHOOLS FOR THE DEAF

Provisions allowing 313 funds to pass through to LEAs is one of the most awkward vehicles in the state. At NCSD we can only report the number of children who have left our institution. We have no effective way of knowing whether or not 313 monies ever reach the child in other educational environments. Many times the public agencies who report deaf children in their classes do not know where those deaf children came from, i.e. one of the three schools for the deaf, a hearing impaired class in a public school, etc. Those children who leave our agency and go into the public school system would do so regardless of 313 funds. 313 monies have not been the direct vehicle of de-institutionalization of any of our children.

PENNSYLVANIA SCHOOL FOR THE DEAF

From the point of view of a private school whose youngsters come from all over the Commonwealth, and whose institution was intended to be affected by this money, I think the result has been a negative one. That is to say, youngsters have been kept out of this school because of the control of some 313 funds by the LEA and, in some cases, I think it has been to the detriment of the children. I think it is a mistake to hold funding out as a carrot to the LEAs to remove children from the various institutions, since it obviously affects their judgment to make the decision based on educational needs, rather than dollars, which is the case now. In other situations, LEA dollars do flow to the private, central schools such as ours. However, many times it adds prohibitive administrative costs on their part just to give it to us, and on our part, to receive it. In other instances the availability of dollars is far surpassed by the work it takes to get it. A good example of this is Part B of Title IV, distributed by a local LEA. Our school sent four administrative people to attend an all-day meeting on Part B, Title IV, only to discover at the end of the day that the maximum allowable under that part was \$2.09 per child, or a total of approximately \$1000 for our institution. The cost of sending these administrators to a one-day workshop was approximately one-half of the allocation. Making out the forms and other clerical expenses in actually getting the money would have wiped out the difference.

MARYLAND SCHOOL FOR THE DEAF

I do not know how to respond to this, but very few students who are enrolled in the Maryland School for the Deaf ever demonstrate that they are not in need of a highly specialized program. Here at the Maryland School for the Deaf and here in Maryland it has been the case that many profoundly deaf students who were enrolled in LEAs have indicated that their needs were not being met in the local programs, that they were failing there for various reasons and that they were in need of a special program such as that found at the Maryland School for the Deaf. Many of these children have been referred to the Maryland School for the Deaf after they demonstrated their failure in a local program by the LEA and an even greater number of applications have been made by parents of this type child after the parents themselves became convinced of their child's failure in a program not geared to meet the specific needs of profoundly deaf children.

KENTUCKY SCHOOL FOR THE DEAF

We have had considerable difficulty with the recent provision for allowing 313 funds to pass through to the LEAs providing education to former "residents" of state institutions in our state. It is my understanding that the term "residents" relate specifically to mentally handicapped children and not to deaf children. The term "residents" is exemplary in this regard. While children at the Kentucky School for the Deaf do, indeed, reside in the dormitory 5 nights a week, they are not "residents of state institutions." Also, when the return home, they are not considered "deinstitutionalized" as a result of that move. They are merely being placed in a more appropriate environment for that particular time in their educational continuum. I deem it unfair that the state school must send 313 funding to LEAs when children return to their local school district, but local school districts are not required to reciprocate. We have the majority

of deaf children in the state enfolded here, so the majority of deaf children in the state suffer from this provision. I might also add that, because this program is comprehensive, including vocational education, athletics, extra curricular activities, leadership training, parent education, and cooperative work experiences, children leaving this program to return to a local education agency have found themselves placed in a most restrictive educational environment, the only advantage being their ability to return to their homes each afternoon. To my knowledge, no educational program for the hearing impaired in this state can offer any services beyond classroom instruction. I believe this statement is true for the vast majority of states in our nation.

HUDSPETH CENTER-MISSISSIPPI

No. Too much paper work required for the amount of money involved in school districts are not applying for these funds. Not applicable.

NORTH DAKOTA SCHOOL FOR THE DEAF

The funds are transferred to the LEAs when the student is accepted into a local education program. Five students have become involved in either a day program for the hearing-impaired or in a regular class room. So far these programs are not meeting the educational needs or social needs of the deaf child.

IOWA ASSOCIATION FOR THE DEAF

We assume that the pass through is working as legally stipulated, since the SLS funding is reduced as our total enrollment drops and the LEA funding increases in the same manner. The fallacy in this system, however, is that the number of children upon which our program focuses--the multiply handicapped--is not decreasing. Approximately ten children have been returned to public schools in the last two years. The number is small because there are few local programs in the state for children with severe hearing impairment and an even smaller number prepared to accept children with multiply handicaps.

CALIFORNIA SCHOOL FOR THE DEAF

The law provides that the money will follow the child from the state residential school for the deaf to the local district. According to the California State Plan for the Education of Deaf Children, local school districts with a sufficient number of children may and do have programs for the education of deaf children on an elementary level. According to the California State Plan, as children progress to the secondary level, they are to transfer to one of the two state residential schools as they grow older rather than transfer out of the residential schools. These deaf students continue in the residential schools to the point of high school graduation and therefore the SLS money stays with them. Under this California plan, 80 percent of students graduating from high school from the two residential schools go on to postsecondary education every year. These are residential schools and in no sense of the word are institutions. Under these circumstances, it is not a matter of a student being "deinstitutionalized."

THE FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

Apparently SLS funds to pass to the LEAs providing education to former students at residential schools. An unfair aspect of this is that a student may stay in a residential school for 9 out of the 9 months of the school year, then if he transfers to an LEA the entire year goes with him even though the residential school has the responsibility for 8/9 of the school year. This is unfair to the residential school and to the services it provides. In answer to the second part of the question, we do not know of any children who have been de-instituted solely because of this provision.

EPILEPSY FOUNDATION OF AMERICA

This provision does not work as well as it might seem. There appears to be so little money flowing from the institutions back to the community LEAs that they don't seem to feel that it is worth the effort of all the paper work. Consequently, a number of the LEAs have sent the money back to the institutions to be carried over.

In terms of the effect that these monies have had on de-institutionalization of children is a difficult one to answer. The reason for this is that the educational services funded by these monies must be viewed as a part of the total treatment process and it is difficult to differentiate which part of the treatment plan is most beneficial to the deinstitutionalization goal.

UNIVERSITY OF WASHINGTON-SEATTLE

It does not appear as though this has had a measurable impact on the deinstitutionalization program in Washington. Washington had been committed to a program of deinstitutionalization prior to the change allowing 89-315 funds to follow the student returning to the community.

NAPA STATE HOSPITAL - CALIFORNIA

To my knowledge, the provision to pass on funds to LEAs providing services to our discharged children does not work. I know of no case in which such monies have been requested or passed on. There has been no effect on the deinstitutionalization of children as that is not considered a factor in discharge or placement planning.

QUESTION 11. COULD YOU GIVE SOME EXAMPLES OF HOW 315 MONEY IS SPENT, THE TYPES OF PROGRAMS, SUPPLIES AND/OR SERVICES THAT ARE PURCHASED?

Institutions and organizations responding claimed that their 315 funds are generally utilized to purchase more specialized equipment, personnel and programs than the official state responses indicated.

The majority of the responses were from schools for the deaf, and because they deal with one special disability, they require specialized personnel, supplies, etc.

The following chart is a representative sampling of how 315 funds are being spent, followed by excerpts from letters received.

EXAMPLES FROM INSTITUTIONS AND ORGANIZATIONS AS TO HOW \$15 MONEY IS SPENT

MARYLAND SCHOOL FOR THE DEAF

1. To expand the printing program to include offset printing and to train students in this area.
2. To establish and expand a visual media program here at school.
3. To assist with the training of qualified teachers of the deaf.
4. To establish and to expand a Preschool-Parent Counseling Program for very young deaf children and their parents.
5. To provide more individualized instruction for deaf students through the use of teacher aides.
6. To improve and expand the library services for deaf students.
7. To establish a professional library to help teachers of the deaf to continue to grow professionally here on campus.
8. To establish and expand a social services program for deaf children.
9. To expand audiological services for deaf children on campus.
10. To create and expand resource room services for deaf students on campus.
11. To obtain a school bus to enable deaf students at the Maryland School for the Deaf to participate more fully in community affairs and events with schools in the area.
12. To provide career education services for deaf students.

EASTERN STATE SCHOOL AND HOSPITAL - PENNSYLVANIA

Our \$15 monies are spent on programs in developmental physical education, prescriptive and diagnostic evaluations with classroom implementation, crisis intervention by counseling, behavior modification and alternative problem solving with students and teachers and technology for children, a skills program in career training for young children who are not academically inclined, (our average age is 14). We will start a parents program. We will use AV equipment for educational program and in-service training for outside agencies. We hope to use bio feed back equipment as another behavior modification technique. We hope to have a program for our severely handicapped students in life skills. An impedance audiometer will evaluate hearing problems. Cultural experiences for the students and in-service for teachers is included.

CALIFORNIA SCHOOL FOR THE DEAF

As has been indicated above, \$15 money has been expended for media services. It includes closed circuit T.V. studio with monitors in the classroom and the residence halls. Other money in the media services area provide supplies and the professionally qualified personnel that results in producing these unique kinds of supplementary material necessary to enhance the classroom education of deaf children. Another component is the computer-assisted instruction which provides for supplementary work in the areas of language, reading and math. In terms of staff development, it is recognized that the education of a deaf child is not limited to the four and a half hours per day he is in the classroom, but goes on during all of his waking hours. This means that the personnel in the school, in addition to the faculty who come into direct contact with the students, are involved in that student's education. In doing this about it is important to educate these staff members to be able to use the appropriate means of communication with the deaf student and make these staff members knowledgeable about the kinds of information such students must have. It is also important for main staff members, in addition to the faculty, to be aware of the kinds of psychological problems facing both deaf children and their families in order to deal with them appropriately. The curriculum in the various areas for deaf children must be very different from the curriculum in a similar area for normal hearing children. This is a result of the basic language handling of deaf children. As a result, each school must develop an appropriate curriculum for the kinds of children it is serving. The education of deaf children, to be most effective, must be individualized education and the curriculum must be designed so that such an individualized program can be carried out. The \$15 funds have made this possible.

KENTUCKY SCHOOL FOR THE DEAF

In terms of \$15 expenditures, the Kentucky School for the Deaf employs 16 personnel: 1 full director, 1 supervising teacher, 1 audiologist, 8 elementary teachers, 1 senior class typist, 1 senior class drama, 1 administrator, 1 social worker. In the past, summer school programs have also been conducted with \$15 money.

when available:

Siblings Program: wherein deaf children with hearing sibling, return to school in the summer for two weeks instruction, generally in speech, communication, or language format. The hearing siblings generally receive instruction in communication, psychology of the deaf, etc.

Summer Evaluation for Prospective Students: for students whose original evaluations have indicated their ineligibility or inappropriateness for enrollment at the Kentucky School for the Deaf, a four to six week classroom evaluation is conducted. These children are also given audiometric and psychometric evaluations during this trial period, in addition to normal evaluations by classroom teachers and houseparents.

Inservice Training Programs: wherein teachers and para-professional personnel are given specific in-service training in linguistic development, total communications, curriculum development, and "transformational grammar."

NEW YORK STATE SCHOOL FOR THE DEAF

- *Institution of a student work-study program.
- *Services to parents through federal funding--school personnel travel to home areas for workshops, discussions, etc. with families of handicapped children.
- *The acquisition and handling of visual materials for deaf students, at least 75% of the materials and equipment in this area and the total salary for the director of AV services are federally funded.
- *A 2-year curriculum development program in Music for the Deaf - tied to direct classroom services.
- *The making of 2 films for public and parent education regarding deafness and services available in New York State.
- *A summer curriculum development workshop in language.
- *A summer curriculum development workshop in life skills for deaf children.
- *A summer school for high school deaf students-emphasizing programmed materials, teaching machines, and individualized instruction.
- *Short term institutes for parents of deaf children.
- *Provision of Consultants to improve educational programs in math, science, the arts, language development, child care techniques, dental health, etc.
- *Provision of full-time psychological services.
- *Supports position of Director of Instruction.
- *Provision of part-time services in movement/dance for deaf children.
- *Provision of Services for children with psychomotor problems.
- *The establishment of a Math Lab program.
- *Books and periodicals for the library.
- *A lending library and Information Center for parents of handicapped children--materials provided.
- *Establishment of classes for deaf children with additional learning problems--screening, diagnosis, and equipping and supplying the classes.
- *Equipping 2 new units in the art program for all students (ceramics and weaving).
- *Purchase of test materials for program evaluation.

FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

- A. A number of personnel provide services to our students that the state has refused to provide. Among them are fourteen teacher aides, a language consultant, two P.E. teachers, a social worker, an arts and crafts teacher, a librarian, five media persons, a canteen manager, and one orientation and mobility instructor.
- B. Instructional materials, some equipment in the past, but not lately as there seems to be less and less money to work with, special instruction for our students, stipends for our teacher aides to attend school for inservice training, travel for our teachers to observe programs at other schools or seminars pertaining to their teaching techniques, repairs and maintenance for equipment, transportation for field trips for our students and payments to consultants invited to our school for workshops and in-service training.

MINNESOTA SCHOOL FOR THE DEAF

For example, this past 1976-1977 school year, 6 extra houseparents and 5 teacher aides were provided to work directly with the population of deaf students at the

Minnesota School for the Deaf. The 5 teacher aides represent the total number of teacher aides available to the staff of 42 teachers of the deaf. In addition, materials such as language Arts Project life machines were purchased. Several electric typewriters for the Industrial Arts program were purchased along with money available for instructors and Houseparents to take small groups of students on community experiences such as eating in a restaurant, and a trip to industrial sights in the area, some recreational activities such as the low flying and other athletic events. Also, money was provided for payment of students to do some jobs on campus. These were students who had very low or no source of income for spending money or in some cases, were students who needed work as part of their school program. We, at this time, have no other source of funds for these purposes.

PART IV

EXCERPTS FROM STATE PLANS

P.A. 92-111 - STATE PLANS

Although information for this report was collected over a seven month period, it was not until the end of the seventh month the Committee learned that each state submits to the Bureau of Education for the Handicapped, an annual report, a listing of all 80-113 projects within the state. Since 80-113 money is given on a grant basis rather than on general overall allocation, projects are cost found and charged in one document to the state for submission to the federal government. From this document the location, the amount of money, the approved number of participants, and, of course, the title of each project collected in each state. There is no standard format and as a result the names and content vary from state to state.

To illustrate the wide range of projects and facilities and the variety of state plan formats which exist, the following attachments were taken at random from the reports submitted by Kentucky, Mississippi, West Virginia, Illinois, Michigan, Missouri, South Carolina, Kansas and Ohio. The various nature of these plans highlights the futility of attempting to describe the state under the 80-113 plan. Some reviewing the wide range of projects within each state. It is obvious that each state has its own special needs and its own way of meeting them, somewhat guided by the federal guidelines. The projects are to give the handicapped student an education from reading machines to jobs. There are no limits to the projects, efforts in cooperation between the federal, state and local agencies within each state of various states. There is no attempt through this report to provide an index to each state in which these facts are found. The purpose of this document is to show an attempt to give a representative picture of the use of funds.

EXCERPTS FROM KENTUCKY'S STATE PLAN

PART I

Description of Programs for Handicapped Children

STATE: Kentucky
 AGENCY: Department for Human Resources
 NO. OF SCHOOLS: 5 State Operated
 15 State Supported
 90 LPA Programs

I. Children's Treatment Center, Louisville, Kentucky.

Students to be served: 18 Emotionally Disturbed

Proposed Budget: \$9,000

Staff: 1 Consultant

Program Description: P.L. 89-313 funds will be utilized to purchase instructional materials and equipment, and to provide consultant services for in-service training.

II. Handwood Hospital, Louisville, Kentucky.

Students to be served: 180 Mentally Retarded (non-ambulatory).

Proposed Budget: \$46,000

Staff: 20 Summer Camp Aides

Program Description: The program will provide a 5-month summer camping program which includes music, table activities, special skill training, fine motor training, and community living skills.

III. Delwood Training Center, Somerset, Kentucky

Students to be served: 200 Mentally Retarded

Proposed Budget: \$76,000

Staff: 1 Horticulture Aide, 3 Classroom Aides, 12 Summer Camp Aides

Program Description: Services will include vocational training in horticulture, socialization through a community transition program, and a summer camping program.

IV. Central Kentucky Re-Education Program, Lexington, Kentucky.

Students to be served: 30 Emotionally Disturbed

Proposed Budget: \$12,000

Staff: None. Funds will be utilized on camp supplies, equipment, food, rent, and field trips.

Program Description: Emphasis is the areas of physical fitness and outdoor education such as nature study, environmental and conservation education, and arts and crafts will be the major goals in the summer camping program.

V. Excelsior-DeWood Camp, Union Springs, Kentucky.

Students to be served: 95 Mentally Retarded

Proposed Budget: \$43,000

Staff: 2 Physical Fitness Specialists, 1 Arts & Crafts Specialist,
8 Aides

Program Description: Sessions will be provided in physical education and recreation, arts and crafts, and habilitation (classroom instruction).

VI. Day Care Training Centers: Located in 15 districts throughout the Commonwealth.

Students to be served: 618 Mentally Retarded
88 Emotionally Disturbed

Proposed Budget: \$297,000

Staff: 4 Speech Therapists, 4 Consultant Teachers, 6 Physical Fitness Specialists, 1 Social Worker, 5 Parent Teachers, 7 itinerant Teachers, 2 Arts & Crafts Specialists, 1 Audiologist, 1 Behavior Modification Specialist, 3 Liaison Aides, 14 Summer Camp Staff members.

Program Description: With the services of specialized staff, the clients will also gain in the areas of language development, self-help skills, motor dexterity, socialization and self-direction.

VII. Local Education Agency Programs.

(See Part III.)

PART II

Description of Programs for Handicapped Children

STATE: Kentucky

AGENCY: Department of Education

NO. OF SCHOOLS: 2 State Operated
6 LHA Program

I. Kentucky School for the Blind, Louisville, Kentucky

Students to be served: 118 Visually Handicapped

Proposed Budget: \$47,700

Staff: 1 Speech Therapist, 1 Primary Reading Teacher, 1 Social Worker, 2 Teacher Aides, 1 Part-time Operator.

Program Description: Special attention in speech correction, socialization, developmental reading and daily living skills will be provided.

II. Kentucky School for the Deaf, Louisville, Kentucky

Students to be served: 425 Deaf and Hard of Hearing students

Proposed Budget: \$105,000

Staff: 1 Director of Learning, Learning Center, 1 Supervisory Teacher, 1 Audiologist, 8 Teachers, 2 Counselors, 1 Social Worker, 1 Br. Clerk Typist, 1 S. S. - Signographer.

Program Description: Services will be provided in the following areas: Adapted school program (communication, recreation, behavioral adjustment, physical and social and cultural enrichment, vocational preparation and assistance, personal and academic adjustment), learning programs, academic program, and a small amount of work experience for the staff, in-service training for staff.

III. Local Education Agency Programs

Students to be served: Approximately 1000

Proposed Budget: \$200,000. Approximately 50 Local Education Agencies will participate and are to be the transfer of all funds, eligible to participate, from the Department for direct payment.

Program Description: Local Education Agencies plan to purchase learning equipment and instructional materials to supplement the existing education programs for the handicapped. Agencies are encouraged to provide a small amount of treatment and services for the handicapped.

PART III

Description of Programs for Handicapped Children

STATE: Kentucky

AGENCY: Local Education Agencies

Local Education Agencies receiving monies from more than one State Agency.

Approximately five local education agencies will receive P.L. 89-312 monies from two state agencies (Department of Education and Department for Human Resources).

Students to be served: 2 Visually Handicapped
 2 Deaf & Hard of Hearing
 134 Mentally Retarded

Proposed Budget: \$29,000

Program Description: The five local education agencies plan to utilize P.L. 89-312 funds for the purchase of teaching supplies and instructional equipment to supplement the existing education programs for the handicapped.

EXCERPTS FROM KANSAS' STATE PLAN

*Kansas State Department of Education**Kansas State Education Building*

120 East 10th Street, Topeka, Kansas 66612

KANSAS

P.L. 89-313, Title I, Annual Program Plan Information for Fiscal Year 1976.

The Department of Social and Rehabilitation Services is responsible as the authorized state agency for programming in the State operated facilities and state supported Day Care Centers. The following data is projected for fiscal year 1976. When actual program starts next fall, the data reflected in this report compared to the data on the final application may differ.

The projected funds for programming for the seven major state supported facilities and approximately thirty Day Care Centers is \$588,000. Approximately \$230,000 for Day Care educational services and \$358,000 for program at the seven major state operated facilities.

The number of projected staff to be employed includes both professional, aides, and other clerical support staff. The figures below represent F.T.E.

TRK	90.00
ENR	10.50
LD	1.25
ED	32.00
CHI	3.00
Crippled	5.28
Visually Handicapped	1.00
Deaf/Blind	1.00
Deaf	1.00
R.H.	1.29
Speech Impaired	9.51

The total staff represents approximately 155 F.T.E.

The project locations and areas of programming are as follows:

Winfield - Severe and profound pre-kindergarten program.

Larned - Reading, math speech therapist and two paraprofessionals.

Kansas Neurological Institute, Topeka - Instructional program on object stimulation, object recognition, communication, play activities, academics, social adjustment, home living, and fine motor skills.

Parsons - Prevocational skills based on IEP.

Oswatonsville - Reading, math, instruction.

Youth Center at Atchison - Special tutoring in the basic skills areas.

Topeka State Hospital - Comprehensive educational services for emotionally disturbed school aged and preschool children.

The number of students to be served by the various handicapping conditions are as follows:

EDR	935
ENR	245
LD	11
ED	435
CHI	39
Crippled	94
V.H.	11
D.B.	5
D	8
D.B.	29
Speech	12

A total of 1,923 students are projected to be served during 1980-81 year.

Day Care Center Services for the Handicapped are at the following locations:

Republic County Developmental Center - Developmental skills, such as self-help, socialization, communication, fine motor, gross motor, and cognitive areas.

Cloud County Developmental Center - Speech, language and sensorimotor skills.

Verdigris Valley - Speech, evaluation and assessment.

Tri Valley Developmental Center - Preschool academics, behavior modification.

Developmental Learning Center, Pittsburg - Infant stimulation, sensory motor development, evaluation.

Republic County Mental Health Association - Location, assessment, placement for preschool handicapped children.

Chishaska Area Training Center - Speech, OT/PT services, preschool early intervention services.

Hettinger Developmental Center - Infant stimulation, preschool activities of academics, socialization, personal care, language development.

Mays Day Care - Language development for preschool.

Topeka ARC - Fine motor, effective behavior, communication, social, cognitive and self-help skills.

Doniphan County ARC - Speech, language, gross motor, fine motor, general development readiness skills.

Capper Foundation - Prevocational training.

Big Lakes Developmental Center - Speech, psychological, inservice training, music therapy.

Johnson County Mental Retardation Center - Infant stimulation, counseling, parent education.

Franklin County Developmental Center - Preschool activities designed to treat, ameliorate and advance the child's development.

Lakemary Center - Provide DR students with increased individualized learning experiences.

First Baptist Day Care - Activities based on individual needs for each handicapping condition.

Saline County Developmental Center - Activities based on child's disabilities, evaluation and placement in five different developmental areas.

Rainbow United - Self-help and motor skills.

Douglas County ARC - Preschool program, individual program plus later disciplinary training and speech therapy, occupational, music therapy.

Menninger Foundation, Preschool Day Treatment Center - Screening and assessment of learning disabilities, cognitive remediation and parent education.

Atchison Child Care Association - Provide, evaluate, services for children with language, and speech problems, small group instruction, inservice training for staff.

Brown County Day Care Services - Speech therapy.

Starkey Developmental Center - Speech, language development for preschool level students, health services, summer activities.

Leavenworth Developmental Services - Individual program planning for handicapped children, emphasis in areas preschool and self-help skills.

Wyandotte Developmental Preschool - Preacademic training, speech therapy, academic skills, nutritional skills, family counseling, language development.

Russell Child Development Center - Language, conceptual, social, self-help, sensory motor, gross motor, and perceptual skills.

experience in engineering - communication, management, project management, interview and group living skills.

Early Learning Center, Emporia - Language development and sensor motor training.

Emflinger Training Center - Communication skills, developmental activities, and parent conferences.

The Board of Regents serves as The state agency for the Kansas University Medical Center, Children Rehabilitation unit.

The projected funds needed to provide services similar to past programs is \$28,531. However, the 1978 funds have dropped to \$17,000 due to a change in the hold harmless provision.

The number of projected staff is recorded in the following areas:

DR	\$2.00
LD	2.50
Deaf	1.00
Speech	.50

A total of six staff members are planned for fiscal year 1978. However, this number is probably too high due to the cut in funds.

The number of students to be served by the various handicapping conditions area as follows:

DR	11
LD	35
Deaf	43
Speech	37
	126

The program is located in Emporia City, Kansas and provides services in the following areas:

- Comprehensive behavioral, diagnostic procedures
- Development of behavioral, prescriptive programs in both the academic and social areas.
- Initiation of parent training programs.
- Coordination of movement of children from agency to community.
- Modification of instructional materials.

The State Department of Education is the authorized state agency for operation of programs in the Kansas State School for the Visually Handicapped and Kansas State School for the Deaf.

The projected funding for continued services for these two facilities is \$238,000.

The number of projected staff is as follows:

Visually Handicapped	6
Deaf	9
	15

The number of students to be served in the following handicapping areas are:

Visually Handicapped	89
Deaf	286
	375

The programs are located in Emporia City, Kansas and Olathe, Kansas. The projects provide the following services:

- Individual instruction in O & H
- Social, academic and vocational skills
- Daily living skills, lab related skills
- Speech therapist
- Psychologist
- T. V. media technician
- Teacher aides
- Physical therapy
- Parent training T.V. productions
- Rhythm speech instructor

The remaining balance of \$44,899.00 will be used for student transfer project in public school in those locations that can verify transfer students and meet the eligibility criteria. Funds not used will be carried over into fiscal year 1979.

EXCERPT FROM SOUTH CAROLINA'S STATE PLAN

SOUTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION

This project provides supplemental educational services, instructional and supportive, for school age male and female mildly, moderately, severely, and profoundly handicapped (classified as 799 and 894) children at the four residential centers under the administration of the South Carolina Department of Mental Retardation (SCDMR). The overall focus of the project is to emphasize those experiences which will help to maximize student achievement in independence and normalcy in the institution or if possible in the community. Six basic areas of skill development will be stressed but not all of them will be provided in every center. The number of basic areas to be stressed will be determined in each center by the degree of the functional levels of students, space availability for providing such Title I services, and individual differences stressed by the center staff.

The four residential centers operated by SCDMR are: Whitten Village, Clinton, South Carolina; Coastal Center, Ladson, South Carolina; Midlands Center, Columbia, South Carolina; and Pee Dee Center, Florence, South Carolina.

The six basic Title I areas that will be stressed include Title I activities in: self-help skills; personal-social skills; communication skills (media); perceptual-motor skills; functional academic skills; vocational skills; and music therapy.

These Title I activities will be implemented by a staff of eighty-two teachers, teaching assistant, media and library specialists, and teacher aides supplementing and expanding the educational services provided by the state supported staff. Materials, supplies, and equipment will be purchased primarily with Title I carry-over funds from the previous year's allocation. They will be in addition to those items usually provided by the agency.

Evaluation of the students' progress will be continuous. Evaluation tools will include appropriate standardized intelligent, achievement, and performance tests, tests built in to teaching machines and programmed materials, locally produced performance and achievement profiles as well as staff observation of student performance and anecdotal records. Unit task forces will periodically evaluate the growth and development of students with program activities. Each evaluation phase will be aimed in relation to each individual's functional ability and capacity for growth.

Number of children to be served	1,293
Type of handicapping condition	799 (1,193) 894 (29) 89 (1)
Number of Title I staff	82 799 (75) 894 (7) 89 (0)
Approximate cost (includes estimated \$20,000 from previous not carry over funds)	\$509,044

SOUTH CAROLINA SCHOOL FOR THE DEAF AND BLIND

This project consists of a number of activities that are directed toward providing supplemental instructional and related services for children who are partially and totally deaf or blind, and/or aphasic (severe learning disabilities). The following activities described below are divided into three sections, denoting a distinction between those activities for the hearing handicapped and the visually handicapped children, and those activities that are provided to both groups.

Major Activities

Hearing Handicapped - The activities planned for the hearing handicapped students are directed toward emphasizing communication, math, and auditory discrimination skills. Students will receive supplemental auditory training in order to maximize the use of residual hearing, lip reading and auditory discrimination. In addition students will receive individualized math instruction in a program which includes as part of the instruction special calculators. The training is designed to improve math skills. These activities will be implemented by Title I staff, and materials and equipment.

Visually Handicapped - Activities for the blind are designed to bring greater independence into all levels of life. The Orientation and Mobility activity will teach sensory discrimination as well as independent travel. The Optacon activity will enable students to "read" printed material independent of braille or a sighted transcriber. Thus this training opens a new educational dimension to students both in and out of school in that the limitation to braille no longer exists. The Developmental Intervention activity is designed to prepare blind children for entrance to first grade. This educational program is established so that each child can develop gross and fine motor skills, social and self-help skills, and language skills. The Title I staff will be utilized in the implementation of these activities.

Activities serving both visually handicapped and kind of hearing students
The Daily Living Skills activity is designed to provide training for residential students that would normally be provided in the home. It operates on the concept that education in a residential school is a 24 hour a day function. It emphasizes self-acceptance, a healthy attitude toward their handicap, emotional stability, self-care skills, first aid, career awareness and recreation. A strong emphasis is placed on getting into the community to increase adjustment to life outside the school. The Psychological Counseling activity is a parallel service aimed at many of the same needs. It provides psychological testing services and counseling for emotionally disturbed students. These services are in addition to the testing services regularly provided students. The Career Counselor activity fills an important gap in the educational process for deaf, blind, and aphasic students. With the auditory function eliminated or diminished, visual codes in learning become of greatest importance.

Without vision or with very limited vision, the auditory channel becomes one of the main methods of learning. Therefore, the Media Center will continue to be a strong instructional and supportive service in the educational process at the South Carolina School for the Deaf and Blind. Deaf and blind students will be involved in the Floriculture activity to expose them to, and train them in another vocational area suitable for their capabilities. Title I staff will be utilized in the implementation of these activities.

Number of students to be served	567
Type of handicapping condition	Deaf (206) VH (151) Aphasic (20)
Number of Title I staff	41 - Deaf (24) VH (15) Aphasic (2)
Approximate cost (includes est. \$36,000 from previous year carry-over funds)	\$286,350

PROJECTED TITLE I PROJECTS TO BE FUNDED FROM TITLE I FUNDS
ALLOCATED TO
THE DEPARTMENT OF MENTAL RETARDATION
FOR FORMERLY ENROLLED STUDENTS

Allendale County School District, Project No. 783303

This project is designed to serve the high school educable mentally handicapped student with the purpose of supplementing the existing educational program with special materials and supplies purchased from Title I funds. The materials and equipment should aid in remediating specific skill deficiencies as identified by individual student evaluations. Activities will be conducted by the district paid staff.

Number of students to be served	1
Type of handicapping condition	EMH
Number of Title I staff	0
Approximate cost	\$417.40

Anderson County School District No. 5, Project No. 783308

This project is designed to provide a positive learning environment for the educable mentally handicapped student in an effort to increase his academic and social adjustment skills. This project will be conducted by the district paid special education teacher in the school. Special materials and equipment will be purchased with Title I funds.

Number of children to be served	1
Type of handicapping condition	EMH
Number of Title I staff	0
Approximate cost	\$417.40

Charleston County School District, Project No. 783317

Supplemental services for trainable mentally retarded children are emphasized in this project. These educational services are provided as determined by individual student evaluations. Supplemental services also include a training course in Horticulture. The activities will be conducted by the district paid staff, teacher, and aide. Additional materials and equipment are furnished by Title I funds in this project to enhance instruction.

Number of students to be served	5
Type of handicapping condition	10h
Number of Title I staff	0
Approximate cost	\$7,087

Dorchester School District No. 2, Project No. 783310

This project focuses upon supplementing the ongoing school district educational program for trainable and educable mentally handicapped students by providing additional instructional materials and equipment beyond those provided by the school district. No additional staff is needed to implement this program.

Number of students to be served	4
Type of handicapping condition	3 10h; 1 10m
Number of Title I staff	0
Approximate cost	\$1,669.80

Laurens School District No. 56, Project No. 783305

This project is designed to serve the 10m and 10h students. The school district is providing appropriate programs for children of different handicapping conditions in accordance with state standards. The design of the regular program provides for individualization of instruction. This project supplements the regular program with appropriate materials and equipment over and above those ordinarily provided by the district. No additional staff will be employed.

Number of students to be served	3
Type of handicapping condition	2 10h; 1 10m
Number of Title I staff	0
Approximate cost	\$1,260.00

Lancaster County School District, Project No. 783349

This project is designed to serve the IHH student. The Title I IHH student is presently being served in a self-contained IHH class by a teacher-aide team, who is paid by the district, in a program geared toward developing skills outlined in the South Carolina Department of Education's manual Curriculum Guide for IHH Students. Title I supplements the student's learning experiences with additional learning materials specifically designed to meet his needs and interests. Materials and equipment will be purchased in addition to those purchased for general program use. Also special psychological services not ordinarily offered will be provided.

Number of students to be served	1
Type of handicapping condition	IHH
Number of Title I staff	0
Approximate cost	\$417.40

Pickens County School District, Project No. 783374

The trainable mentally handicapped student will be given an educational program appropriate for his handicapping condition by the school district in accordance with state standards. This project will supplement this program with appropriate instructional materials and equipment over and above those provided by the school district. No additional staff will be needed.

Number of students to be served	1
Type of handicapping condition	IHH
Number of Title I staff	0
Approximate cost	\$417.40

Richland County School District No. 1, Project No. 783375

This project focuses upon supplementing the ongoing school district educational program for IHH children. The district operates a program consistent with state standards. Funds will be used to purchase appropriate instructional materials and equipment that are in addition to the materials ordinarily provided. No additional staff is needed to implement this project. The district paid teacher and aide will focus in on language development and muscular coordination.

Number of students to be served	8
Type of handicapping condition	IHH, EMH
Number of Title I staff	0
Approximate cost	\$1,139.20

EXCERPTS FROM VERMONT'S STATE PLAN

VERMONT DEPARTMENT OF EDUCATION

OBJECTIVES

1. TO ASSURE THAT ALL HANDICAPPED CHILDREN AGES 6-17 WILL HAVE AVAILABLE A FREE APPROPRIATE PUBLIC EDUCATION BY SEPTEMBER 1, 1975.
2. TO ASSURE THAT ALL HANDICAPPED CHILDREN AGES BIRTH TO 5 AND 18 THROUGH 21 WILL HAVE A FREE APPROPRIATE PUBLIC EDUCATION AVAILABLE BY SEPTEMBER 1, 1975.
3. TO ASSURE THAT ALL UNSERVED HANDICAPPED CHILDREN OVER THE AGE OF 15 AND UNDER THE AGE OF 18, WILL HAVE A FREE APPROPRIATE PUBLIC EDUCATION AVAILABLE ON REQUEST.
4. TO ASSURE THAT BY 1975, EVERY HANDICAPPED CHILD WHO LEAVES SCHOOL HAS HAD CAREER EDUCATIONAL TRAINING, RELEVANT TO THE JOB MARKET, MEANINGFUL TO HIS CAREER ASPIRATIONS, AND REALISTIC TO HIS FULLEST POTENTIAL.
5. TO ASSURE THAT ALL HANDICAPPED CHILDREN SERVED IN THE SCHOOLS HAVE A TRAINED TEACHER OR OTHER COMPETENT RESOURCE PERSON.

① STATE-OPERATED SCHOOL

1. STATE AGENCY DIRECTLY OPERATES.
2. STAFF MEMBERS ON STATE PAYROLL.
3. PRINCIPAL PORTION OF EDUCATIONAL COSTS FOR HANDICAPPED CHILDREN IS BORNE BY THE STATE AGENCY.

② STATE-SUPPORTED SCHOOL

1. SCHOOL NOT DIRECTLY OPERATED BY STATE AGENCY.
2. STATE AGENCY, UNDER CONTRACT OR SPECIAL ARRANGEMENT, PROVIDES PRINCIPAL PORTION OF COSTS FOR EDUCATIONAL SERVICES TO ITS HANDICAPPED CHILDREN.
3. SCHOOL MAY BE:--
 - A. IN-STATE OR OUT-OF-STATE.
 - B. PUBLIC OR NONPUBLIC.
 - C. PROFIT OR NONPROFIT.
 - D. INCORPORATED OR NONINCORPORATED.

Special Education - Division of Federal Programs

EDUCATION FOR THE HANDICAPPED (TITLE 1 ESEA)

April 25, 1977

TO: P.L. 89-113 Project Directors

FROM: Gerard A. Asselin - Chief, Compensatory Education

RE: Initial Grant Allocations for FY 78

The following grant authorizations for Fiscal Year 1978 have been prepared for use with the initial grant application for projects funded under ESEA Title 1, P.L. 89-113.

Prior to finalizing of budgets for 89-113 programs, project directors are strongly encouraged to negotiate their state budgets with the Division of Special Education since state funds will impact directly on activities funded under this program.

All unexpended funds following terminal dates MUST BE RETURNED to the Vermont Department of Education - Attention: ESEA Title 1 Coordinator.

I. DEPARTMENT OF EDUCATION

A. Fiscal Year 1977 funds:

Academy School for the Deaf	\$58,000
Jos. B. Baird Children's Center	12,000
Barre Town Area Program	6,000
Sub-total	76,000

B. Fiscal Year 1978 funds:

Barre City Area Program	\$24,000
Bellows Falls Area Program	12,000
Bennington Area Program	42,000
Berkshire Area Program	12,000
Brattleboro D.O. Program	12,000
Burlington Area Program	54,000
Ira Allen Early Essential Center	36,000
Castleton Area Program	18,000
Chester Area Program	6,000
Chittenden Area Program	36,000
Dorby Area Program	\$15,000
Grand Isle Area Program	12,000
Green Mountain School	30,000
Hardwick Area Program	6,000
Hartford Area Program	30,000
Frances Hicks Memorial School	18,000
Irishburg Area Program	6,000
Lamotte Area Program	24,000
Middlebury Area Program	36,000
Norrisville Area Program	6,000
Mt. Laurel School	24,000
Newbury Area Program (Orange East)	12,000
Newport Area Program	12,000
Pittsford Area Program	24,000
Randolph Area Program	24,000
Rutland Area Program	48,000
St. Albans Area Program	42,000
St. Johnsbury Area Program	24,000
South Burlington Area Program	18,000
Springfield Area Program	25,000
Springfield TMR	7,000
Union #12 Area Program	6,000
Vermont Achievement Center	42,300
Ver-Shire Schools and Shops	3,600
Vermont Department of Education	30,000
Winston County Center	16,000
Woodstock Developmental Center	4,800
Sub-total:	\$793,400

II. DEPARTMENT OF EDUCATION (Out-of-State)

Hopefields, Inc.	2,000
Dartmouth Medical Center	<u>3,000</u>
Sub-total:	5,000

Department of Education-Total: \$874,400

III. DEPARTMENT OF MENTAL HEALTH

Brandon Training School	\$ 69,507
Vermont State Hospital	<u>\$ 74,919</u>

Department of Mental Health-Total: \$114,426

CANCELLATION: September 30, 1978

AUSTINE SCHOOL FOR HEARING HANDICAPPED

PROJECT DIRECTOR:
Richard K. Lane
Brattleboro, Vt.

GRANT SIZE: \$58,000

CHILDREN RECEIVING SERVICES:

<u>Ages</u>		
3-5 yrs., Hearing Handicapped		9
6-9 " " "		22
10-12 " " "		26
13-18 " " "		68
	Total	<u>125</u>

PROJECT STAFF:

Teacher	1
Specialists & Other Personnel	14

PROJECT ABSTRACT:

Objectives

1. To provide a comprehensive, individualized pre-school program.
2. To provide vocational training in skills, work habits, and attitudes.
3. To provide auditory training in order to strengthen receptive and expressive language skills.
4. To provide comprehensive physical and recreational health services.
5. To provide summer tutoring in order to maintain and increase skills acquired during the school year.

VERMONT DEPARTMENT OF EDUCATION

PROJECT DIRECTOR:

Gerard A. Asselin
Montpelier, Vermont

GRANT SIZE:

\$30,000

CHILDREN RECEIVING SERVICES:

Trainable and Educable	1957
Emotionally Disturbed	65
Other Health Impaired	95
Deaf and Hard of Hearing	125
Total	2252

PROJECT STAFF:

Consultant	1
Account Clerk	1
Secretary	1

PROJECT ABSTRACT:

Objectives

- To provide technical assistance to Handicapped and Transfer Projects in the need- assessment and planning process.
- To review and process applications for fiscal year 1978 in order to insure that each has:
 - Measurable objectives designed to reflect individual student growth.
 - An established sequence of functions and student centered goals.
 - Provisions for inservice training to improve methods and techniques for individualized instruction.
 - A pre/post/ongoing strategy for the evaluation of both program effectiveness and student performance.
 - A means for reporting project strengths and weaknesses.
- To monitor approved projects through on-site visitations, giving suggestions and assistance where needed to maximize effectiveness.
- To assist each project evaluate its effectiveness through collecting, organizing, analyzing, and reporting component data.

IEA TRANSFER PROGRAMI Department of Education

Projects: 77 Local Educational Agencies

Grant Size: \$130,191.36

Children Receiving Services: 256

Mentally Retarded	193
Deaf & Hard of Hearing	3
Visually Handicapped	1
Emotionally Disturbed	30
Other Health Impaired	29

AGES

6-9 yrs.	107
10-12 "	69
13-15 "	78
19 & over	2

*TUTORIAL	SOCIAL GROWTH	PHYSICAL HEALTH	LANGUAGE/ SPEECH
217	75	31	12

*Duplicated Count

Project Staff: 85 (est.)

Project Abstract:
Objectives

1. To provide individualized tutorial instruction.
2. To develop students' self concept and social skills.
3. To provide physical and mental health services.
4. To provide language and speech services.

II Department of Mental Health

Projects: *4 Local Educational Agencies

Grant Size: \$4,034.24

Children Receiving Services:

<u>Ages</u>	
10-12 yrs., Emotionally Disturbed	1
13-18 " " "	3

Project Staff: 4

Project Abstract:
Objectives

1. To provide individualized tutorial instruction.
2. To develop students' self concept and social skills.

<u>Tutorial</u>	<u>Social Growth</u>
1	1
1	1
1	1
1	1

EXCERPTS FROM FLORIDA'S STATE PLAN

FLORIDA DEPARTMENT OF EDUCATION
DIVISION OF PUBLIC SCHOOLS
BUREAU OF EDUCATION FOR EXCEPTIONAL STUDENTSTitle I, ESEA P. L. 89-313
Annual Program for Fiscal Year 1978Florida School for the Deaf and BlindSCHOOL FOR THE DEAF
St. Augustine, FloridaTitle: Educational Programs for Deaf Students
Project #557-2138-78621
Amount Funded: \$307,305.00
Number of Children Served: 645
Staff Employed: 27Narrative Description

This agency's funds will finance a project to serve deaf children. The approved funds will be utilized in ten (10) component areas:

- 1) To hire teacher aides,
- 2) to hire a language consultant,
- 3) to provide physical education,
- 4) to provide social work service,
- 5) to facilitate staff and curriculum development,
- 6) to finance programs in art appreciation,
- 7) to acquire instructional materials,
- 8) to provide educational programs by television,
- 9) to provide canteen services, and
- 10) to finance administrative services.

SCHOOL FOR THE BLIND
St. Augustine, FloridaTitle: Educational Programs for Blind Students
Project #557-2138-78622
Amount Funded: \$75,576.00
Number of Children Served: 156
Staff Employed: 10Narrative Description

This agency will provide an educational program for blind children. The funds will be distributed into four component areas:

- 1) To hire teacher aides,
- 2) to acquire audio-visual devices,
- 3) to initiate an orientation and mobility program, and
- 4) to finance administrative expenditures.

Total for Florida School for Deaf and the Blind \$377,881.00. Local Education Agency programs for students transferred from the Florida School for the Deaf and the Blind supported or operated schools to the local public schools are:

COUNTY	NUMBER OF STUDENT	BUDGET AMOUNT
Alachua	1	\$ 464.89
Dade	1	464.89
Duval	1	464.89
Orange	3	1,394.67
Pinellas	1	464.89
Seminole	6	2,789.58
Sumter	1	464.89

Program Office of Mental Health

NORTHEAST FLORIDA STATE HOSPITAL
Macclenny, Florida

Title: Instructional Programs for Emotionally Disturbed Children
Project #027-2138-78611
Amount Funded: \$28,369.00
Number of Children Served: 50
Staff Employed: 2

Narrative Description

This hospital will provide instructions in reading, mathematics, GED and family living to clients to enable them to pass the GED and to help them adjust in society. To achieve this goal, the hospital will have to employ two teachers and to procure sufficient instructional materials.
NORTH FLORIDA EVALUATION AND TREATMENT CENTER
Gainesville, Florida

Title: Programs for the Emotionally Disturbed
Project #016-2138-78611
Amount Funded: \$30,055.00
Number of Children Served: 50
Staff Employed: 1

Narrative Description

The Adkins Life Skills Program will be implemented to enable students and staff to cope efficiently with various life problems. Individualized instructions will be provided to ameliorate specific learning disabilities. Speech and audiological habilitation/rehabilitation services will also be provided to the clients.
SOUTH FLORIDA STATE HOSPITAL
Hollywood, Florida

Title: Remediation/General Education
Project #067-2138-78611
Amount Funded: \$159,455.00
Number of Children Served: 450
Staff Employed: 9

Narrative Description

Funds will be used to provide instructional personnel, and clinical social worker, a psychiatrist and psychologist. The personnel will provide diagnostic evaluation, remedial instruction, instruction leading to high school diploma, and personal and social adjustment training.

CENTRAL OFFICE
MENTAL HEALTH PROGRAM OFFICE
Tallahassee, Florida

Title: Children Served - Indirect
Project #706-2138-78611
Amount Funded: \$22,000.00
Number of Children Served: Indirect
Staff Employed: 1

Narrative Description

Funds will provide project coordinator for all Mental Health Program Office projects.

G. PIERCE WOOD MEMORIAL HOSPITAL
Arcadia, Florida

Title: Instructional Program for Emotionally Disturbed Children
Project #147-2138-78611
Amount Funded: \$27,093.00
Number of Children Served: 73
Staff Employed: 3

Narrative Description

Funds will provide instruction leading to passing GED test. Provision for instruction.

G. PIERCE WOOD MEMORIAL HOSPITAL
Hollywood, Florida

Title: Coordination of Mental Health Services
Project #147-2138-78612
Amount Funded: \$22,907.00
Number of Children Served: 1,116
Staff Employed: 4

Narrative Description

Funds will be used for Coordination of Mental Health Services in District 8. A coordinator would be employed to identify needs, identify resources, develop cooperation with vocational rehabilitation, retardation program office, youth services and local education agencies in the districts and monitor project activities.

FLORIDA MENTAL HEALTH INSTITUTE
Tampa, Florida

Title: Special Education Assessment and Remedial Team
Project #296-2138-78611
Amount Funded: \$65,154.00
Number of Children Served: 122
Staff Employed: 5

Narrative Description

Funds will be used to provide individualized educational assessment, instruction, remediation, and development of attending behavior. Funds would be utilized to provide personnel.

FLORIDA STATE HOSPITAL
Chattahoochee, Florida

Title: Personnel
Project #207-2138-78611
Amount Funded: \$30,970.00
Number of Children Served: 87

Narrative Description

Funds will provide instructional personnel, equipment, capital outlay, professional materials and inservice training.

Total for Program Office of Mental Health \$360,910.00. Local Education Agency programs for students transferred from the Program Office of Mental Health supported or operated schools to the local public schools are:

COUNTY	NUMBER OF STUDENT	AMOUNT FUNDED
Broward	5	\$1,735.12
Dade	3	1,394.73
Escambia	5	2,325.00
Hillsborough	2	729.82
Pinellas	15	6,508.74

Program Office of Retardation

The Program Office of Retardation has developed major objectives for development of educational programs for its clients, based on an assessment of the clients' skill level in the areas of mobility, selfcare, social competency, communication, basic education, housekeeping, community living and work.

The project developer in each subagency of the Program Office was asked to reflect these major objectives in his P. L. 89-313 proposal by initiating, improving or expanding programs in the specific areas.

Proposals for P. L. 89-313 programs for Fiscal Year 1978 include activities in:

- I. Developing basic skills
 - Behavior modification
 - Self-care skills such as toileting, feeding, washing, dressing
 - Mobility skills
 - Daily living skills
 - Language development
- II. Developing social skills
 - Social Adaptive training program
 - Transitional living skills
 - Community awareness program
 - Transportation skills
- III. Academic support
 - Instruction in reading and arithmetic
- IV. Pre-vocational and vocational preparation
 - Vocational stimulation and development program
 - Home economics
 - Horticulture (plant-care) program
 - Incentive pay program
 - Vocational on-the-job training program
- V. Educational activities through physical education and music therapy.
- VI. Support services
 - Library and media services
- VII. Staff development
 - Consultant services from central office in infant stimulation, instructional development behavior management and application of Validate
 - Client training methods and materials
- VIII. Home training and parent training through regional community programs

PROGRAM CENTER	NUMBER OF CLIENTS	NUMBER OF STAFF EMPLOYED	AMOUNT FUNDED
Sunland Center at Fort Myers #367-2138-78601	805	26	\$425,201.00
Sunland Center at Orlando #537-2138-78601	556	28	343,006.00
Sunland Center at Gainesville #017-2138-78601	133	2	406,959.00
Sunland Center at Marianna #327-2138-78601	46	2	163,917.00
Sunland Center at Tallahassee #377-2138-78601	266	21	272,987.00
Sunland Center at Miami #137-2138-78601	217	22	303,215.51
Central Office Tallahassee #707-2138-78601	Indirect to Sunland Clients	2	33,051.00
District I at Pensacola #177-2138-78601	55	4	69,228.00
District IV at Jacksonville #167-2138-78601	156	5	132,106.00

District V at St. Petersburg #527-2138-78601	196	5	121,201.00
District VI at Tampa #297-2138-78601	520	11	201,588.00
District IX at West Palm Beach #507-2138-78601	165	5	90,561.00

<u>PROGRAM CENTER</u>	<u>NUMBER OF CLIENTS</u>	<u>NUMBER OF STAFF EMPLOYED</u>	<u>AMOUNT FUNDED</u>
District X at Ft. Lauderdale #507-2138-78601	165	5	\$104,308.00
District XI at Miami #064-2138-78601	Indirect to Sunland Clients	8	40,000.00
Marion County and Alachua County ARC	70	2.5	61,412.00
Retardation Staff Development and Training Institute at Gainesville #013-2138-78601	Indirect	NA	20,000.00

Total Program Office of Retardation \$2,818,812.31. Local Education Agency programs for students transferred from the Program Office of Retardation supported or operated schools to the local public schools are:

<u>COUNTY</u>	<u>NUMBER OF STUDENTS</u>	<u>AMOUNT FUNDED</u>
Alachua	21	\$ 9,763.53
Bay	8	3,719.44
Brevard	9	4,649.30
Broward	56	23,408.50
Dade	35	16,272.55
DeSoto	6	2,789.58
Duval	28	13,018.04
Escambia	6	2,789.00
Hernando	1	464.93
Hillsborough	1	464.93
Jackson	17	7,903.00
Marion	19	8,833.67
Orange	15	6,973.95
Pinellas	43	27,429.00
Seminole	11	5,113.79

EXCERPTS FROM MICHIGAN'S STATE PLAN

State Agency - Michigan Department of Education
Michigan Department of Mental Health X

Institution or Agency Plymouth Ctr. for Location Wayne
Human Development

Project No. 0188-10 Project Allocation \$191,820

No. of Children Served 480 Type of Facility Residential - Boarding

1. PROJECT ABSTRACT (THIS SECTION MAY BE TYPE WRITTEN, HANDWRITTEN, OR TYPED AND ATTACHED TO THE APPLICATION)

1. Improve curriculum offered in the Plymouth I.S.E.P. in the cognitive, affective and psychomotor domains.

2. Improve educational milieu of I.S.E.P. students at Plymouth through broadening of daily living skills and environmental experiences.

3. I.S.E.P. students with perceptual-motor difficulties and/or physical handicaps will be provided with opportunity for growth and increased mobility.

4. Improve training will be provided to staff on behavior management, theoretical constructs, utilization of perceptual development room by blind students, and adaptive techniques for the physically handicapped.

5. I.S.E.P. students will develop self-help skills through feeding normalization project and will develop alternative social/functional skills through community awareness project and the opportunity to raise and care for plants and animals.

6. Students will receive daily training in psychomotor skills and, when necessary, medical evaluations/treatment and/or appropriate adaptive equipment.

7. Data will be collected on student growth in self-help skills and attitudinal/behavior changes resulting from enrichment experiences.

8. Data will be collected on (a) student progress in development of psychomotor skills, (b) students referred for medical evaluation/treatment and (c) students receiving adaptive equipment.

No. of Staff Employed 3 Type of Staff Employed:
Supervisor 1/2
Aides - 1
Teachers 1 1/2

State Agency - Michigan Department of Education
Michigan Department of Mental Health

Institution or Agency Mich. School for Deaf Location Flint

Project No. 0198-2 Project Allocation \$139,903

No. of Children Served 265

Type of Handicap Deaf and Hard of Hearing

PROJECT ABSTRACT (This section may be typed on separate sheets and attached to the application.)

(1) Expand the utilization of multi-media approach in teaching deaf children. (2) Improve the language acquisition skills of deaf children. (3) Expand the diagnostic teaching programs for out-patient and in-patient clientele. (4) Provide very comprehensive diagnostic and audiological and audiological services. (5) Improve the auditory training and oral rehabilitation prescriptive program. (6) Provide intelligence, achievement, and other pertinent tests for children referred. (7) Expand the parent education program for parents of pre-school children and other parents of deaf children. (8) Continue curricular improvement programs. (9) Expand student staffings and follow-up with student in prescriptive approach to pupil adjustments educationally and behaviorally. (10) Follow through on implementation of EPPC recommendations. (11) Provide post-school counseling to recent graduates and parents/employers in adjustment to career orientation.

(1) A project for serving needs in media location, development and distribution. (2) A program of services for deaf physically disabled students involving physical therapists and physical education instructors. (3) A diagnostic instruction program for deaf students from public school settings. (4) Equipment improvements to increase auditory testing and hearing aid fitting services. (5) A pre-school program emphasizing parent involvement in the child's educational program and training of parents for extension of the learning environment into the home. (6) In-service training projects. (7) A parent counseling/education project available to parents on a state-wide basis. (8) A crisis-behavior referral/treatment project. (9) A project of student staffings and follow-up with student and parent counseling.

OBJECTIVE: (1) Teacher reports and student achievement records. (2) Language skill tests. (3) Observations and reports from local districts on effectiveness of prescriptions. (4) Audiometric and audiological examinations. (5) Case history reports. (6) Parental surveys. (7) Project completion materials. (8) Case reports. (9) Quarterly EPPC reports.

No. of Staff Employed 5

Type of Staff Employed:

Teachers - 4

Audiologist - 1

300

State Agency - Michigan Department of Education X
 Michigan Department of Mental Health

Institution or Agency Mich. School for the Deaf Location Lansing

Project No. 0188-1 Project Allocation \$ 100,739

No. of Children Served 183 Type of Handicap Visually Impaired

MICHIGAN SCHOOL FOR THE DEAF

12. PROJECT ABSTRACT (This section may be typed on separate sheets and attached to the application.)

A To provide instruction in orientation, mobility and independent living skills. To provide social work services required by students and their families. To provide braille, large type print and other related educational materials for visually impaired students. To increase leisure time offerings and counselings. To develop positive work attitudes and habits in employed students. To maintain secretarial services necessary for student and administrative activities.

B Daily instruction to assigned students in orientation and mobility. Provide direct social work intervention and counseling of referred students and their families. Reproduction of braille and large type print and other related educational materials. Maintain communication with parents through reports and informational materials. Employ an additional staff member to assist in the planning and supervision of leisure time offerings and counseling. Interview, employ and supervise 20-30 part-time student employees. Maintain two secretarial positions - one (1) full time and one (1) part-time.

C Number of students receiving orientation and mobility instruction. Pre-test and post-test in mobility and independent living skills. The number of students and/or families receiving services as a result of social work intervention. The quantity of educational materials reproduced in response to requests. Documentations of student participation in scheduled leisure time activities and leisure time counseling. Periodic evaluations of students participating in Work Experience Program.

No. of Staff Employed 4

Type of Staff Employed:

Mobility Instructor Secretary

Social Worker

Counselor

State Agency - Michigan Department of Education
 - Michigan Department of Mental Health

X

Institution or Agency Newberry St. Hospital Location Sault Ste. Marie

Project No. 0182-7 Project Allocation \$ 22,363

No. of Children Served None Type of Handicap

12. ABSTRACT (Limit to the number of lines and space provided)

- (1) To provide bus transportation (orthopedic) for both ambulatory and nonambulatory students for supplementary classroom activities, field trips, community activities and transporting to and from school.
- (2) To provide inventory of 30 inservice training units (see attached lists)
- (3) To provide audio-visual equipment to supplement programming and inservice.
- (4) To increase mobility of non-ambulatory students through use of adaptive equipment.

- (1) Purchase one 48 passenger bus with wheel chair lift device allowing for full implementation of the curriculum.
- (2) Inservice units will be used with all professional staff and teacher aides on a planned basis.
- (3) Secure and utilize inservice training materials, utilize equipment for student assessment.
- (4) Purchase adaptive diagnostic and corrective wheelchairs and accessories, mats, crawlers, pulley feeders, parallel bars, exercycles, and other equipment used by Occupational and Physical Therapists.

- (1) All students shall have had access to bus transportation. Non-ambulatory students presently do not have access to activities outside of school or ward.
- (2) Increased awareness and proficiency in dealing with all areas covered by the 30 units
- (3) Evaluation will be by means of charting number of tapes and inservice sessions used, by measuring increase and staff proficiency and student progress as determined by developmental progress charts.
- (4) Evidence of increased mobility and progress on Developmental progress chart for each student.

DESCRIPTORS (Enter the number only of items selected from ASIS Retrieval Terms Directory. See last page of instructions.)

No. of Staff Employed

Type of Staff Employed:

302

State Agency - Michigan Department of Education _____
 Michigan Department of Mental Health X

Institution or Agency Coldwater SH and TS Location Coldwater

Project No. 0188-3 Project Allocation \$ 191,283

No. of Children Served 319 Type of Handicap Mentally Retarded

Coldwater SH and TS

SYNOPSIS (This section may be typed on separate sheets and attached to the application.)

Provide support services for the severely impaired students at the Coldwater State Home and Training School.

Provide inservice training to staff to better serve the severely and multiply impaired students at the Coldwater State Home and Training School.

Further development of better define and sequential individual performance objectives.

Activities based on individual performance objectives of the severely impaired in the area of physical education and recreation, prevocational and vocational education.

Individual student performance levels as of June, 1977 compared to the individual performance level as of September, 1976.

No. of Staff Employed 26 1/2

Type of Staff Employed:

Recreation Instructor

Nurses 1/2

Aides - 25

STATE OF TENNESSEE
P. L. 89-313 PROGRAM FOR HANDICAPPED CHILDREN
PROJECT SUMMARY FORM

PROJECT DIRECTOR: Phyllis Flynn FY: 1977 FUNDING SOURCE: P.L. 89-313 Title I, ESEA
TITLE OF PROJECT: Residential Education Enrichment Services CHECK ONE:
NAME OF STATE AGENCY SCHOOL: Arlington Developmental Center NEWLY DEVELOPED PROGRAM _____
ADDRESS: P.O. Box 399 PHONE: 901-667-2921 CONTINUING PROGRAM X (modified)
(HARDEN) (STREET)
Arlington, TN 38002 SUPERINTENDENT: H. Russell White
(CITY) (ZIP CODE)

FUNDING LEVEL	POPULATION SERVED	SUMMARY OF PROGRAM
\$161,800.00	155 severely and profoundly retarded children and youth	The P.L. 89-313 program consisted of six phases: Phase I or the Early Elementary Education Program consisted of four self-contained academic classrooms and four vocational classrooms. Educational programs were in the areas of self-help, self-awareness, motor and perceptual development, social development, practical skills, behavior management, language development, and vocational preparation. Phase II offered individualized instruction in reading and reading readiness on a resource basis. Phase III provided counseling for residents, assistance for teachers with behavior problems, liaison with interdisciplinary team, contacts with community resources, (continued on the next page)
PARENT AND COMMUNITY INVOLVEMENT		
This aspect of the program involved the Foster Grandparents, Partners Program, Parent Guardian Association, and the Title I Parent Advisory Council which met regularly throughout the year.		
EVALUATION DESIGN		TITLE I FUNDED STAFF
A pre- and posttest model was used. The evaluation instruments included TARC Assessment Inventory for Severely Handicapped Children, Santa Clara Inventory of Developmental Tasks, Goldman-Fristoe-Woodcock Test of Auditory Discrimination, Dooch-Loague Emergent Language Test, Key Math Arithmetic Test and others.		1 Coordinator and Parent Supervisor 6 Teachers 9 Aides 1 Teacher-Counselor 1 Secretary

STATE OF TENNESSEE
P. L. 09-313 PROGRAMS FOR HANDICAPPED CHILDREN
PROJECT SUMMARY FORM

P.L. 09-313

PROJECT DIRECTOR: Janie Gilliland FY: 1977 FUNDING SOURCE: Title I, RSEA
TITLE OF PROJECT: Motor/Social, Music Development and Communication CHECK ONE:
NAME OF STATE AGENCY SCHOOL: Clover Bottom Developmental Center NEWLY DEVELOPED PROGRAM
ADDRESS: 275 Stewarts Ferry Pike PHONE: 615-741-4502 CONTINUING PROGRAM ☒ (modified)
(HARDER) (STREET)
Donelson, TN 37211 SUPERINTENDENT: Marjorie Wells (Cardwell)
(CITY) (ZIP CODE)

FUNDING LEVEL	POPULATION SERVED	SUMMARY OF PROGRAM
\$72,056.00	70 trainable mentally retarded residents, age 6 - 21	The project programs were designed to increase the functional levels of the target children in motor development, social interaction and development, and language and communication skills. Small group and individual instruction was provided in gross motor activities, social interaction through music/rhythm, and verbal/non-verbal means of communication. Each child worked toward individual performance objectives which were set by the teacher in each program.
PARENT AND COMMUNITY INVOLVEMENT		
Parent involvement in the educational program was minimal; however, all parents were encouraged to visit the campus during Parent-Guardian days. Many community groups toured the facilities and observed the activities for/with the children.		An educational consultant provided weekly inservice training for the staff. Anticipated progress was made by project children as shown by completion of individual objectives in areas of concentration.
EVALUATION DESIGN		TITLE I FUNDED STAFF
Continuous evaluations were made throughout the year. Pre and post scores were obtained for each "unit" of study. Teacher- and consultant-made inventories and scales were also used.		3 Teacher Aides 3 Teacher

305

STATE OF TENNESSEE
P. L. 95-313 PROGRAM FOR HANDICAPPED CHILDREN
PROJECT SUMMARY FORM

PROJECT DIRECTOR: Linda Keller FY: 1977 FUNDING SOURCE: P.L. 95-313 Title I, RSEA
TITLE OF PROJECT: Programs for SMR, PWR, & Multihandicapped Students CHECK ONE:
NAME OF STATE AGENCY SCHOOL: Greene Valley Developmental Center NEWLY DEVELOPED PROGRAM _____
ADDRESS: P.O. Box 1007 PHONE: 615-639-3751 CONTINUING PROGRAM X
(NUMBER) (STREET)
Greeneville, Tennessee 37743 SUPERINTENDENT: Clayton Lorenzen
(CITY) (ZIP CODE)

FUNDING LEVEL	POPULATION SERVED	SUMMARY OF PROGRAM
\$124,341.02	303 Children: THR - 183 Cr - 102 Vis H.C. - 14 Deaf - 4	103 students participated in the pre-school and THR level education program which included activities designed to strengthen receptive and expressive language patterns, auditory and visual perception, psychomotor development and self-help skills. 102 students participated in the non-ambulatory training program which included stimulation training, self-help training, mobility skill development, and language acquisition programs. 20 students received pre-vocational training which was designed to teach community life and job preparation skills.
PARENT AND COMMUNITY INVOLVEMENT		
Students participated in selected community functions which gave them an opportunity to interact with the community and help alleviate misconceptions of certain community members. Parent-guardian meetings were held. Outreach Social Workers visited the families.		
EVALUATION DESIGN		TITLE I FUNDED STAFF
Pre/post tests were designed by teachers to accompany the "units" of instruction and goal setting. Standardized tests which were used included: Slosson's Intelligence Test, WRAT, PPVT, PAR, and the Berry Test of Visual-Motor Integration.		Eight teacher positions were included in this project; supervision and instruction in the pre-school program, physically handicapped components, profoundly retarded services, pre-school readiness activities, and counseling of disturbed mentally retarded students. One developmental technician served as a Physical Therapy aide.

STATE OF TENNESSEE
P. L. 92-313 PROGRAM FOR HANDICAPPED CHILDREN
PROJECT SUMMARY FORM

F.L. 92-313
Title I, SEEA

PROJECT DIRECTOR: Gary Coker FY: 1977 FUNDING SOURCE: Title I, SEEA
TITLE OF PROJECT: Comprehensive Program for Blind Multi-Handicapped Children CHECK ONE:
NAME OF STATE AGENCY SCHOOL: Tennessee School for the Blind NEWLY DEVELOPED PROGRAM ☐
ADDRESS: 115 Stewarts Ferry Pike PHONE: 615-741-4431 CONTINUING PROGRAM ☒
(NUMBER) (STREET)
Donelson, TN 37211 SUPERINTENDENT: Carland Cross
(CITY) (ZIP CODE)

FUNDING LEVEL	POPULATION SERVED	SUMMARY OF PROGRAM
\$94,650.00	201 visually handicapped children including multi-handicapped children & youth	This program was designed* to provide individualized activities for children who have, in addition to blindness, a secondary handicapping condition. The specific components were (1) intensive self-help program for multi-handicapped children, (2) pre-school evaluation/diagnostic clinic for preschoolers and their parents, (3) recreational program, (4) health services, (5) clerk-typist, and (6) intensive staff development which will involve all TSB staff who provide direct services for the children. Other activities included afternoon and evening activities for the children. (*Some components were recently implemented; positions could not be established earlier as requested.)
PARENT AND COMMUNITY INVOLVEMENT		
This aspect of the program consisted of ongoing parental contacts by the pre-school counselor, parent conferences, and the PTA activities which included the changing programs and student population.		
EVALUATION DESIGN		TITLE I FUNDED STAFF
Individualized prescriptive programs were designed for each student. Appropriate evaluations were integral parts of the programs. Each student also received at least one ophthalmological test.		1 Nurse 1 Clerk-Typist 3 Paraprofessionals 1 Behavior Analyst (Part-time) 1 Instruction Teacher

STATE OF TENNESSEE
P. L. 09-313 PROGRAM FOR HANDICAPPED CHILDREN
PROJECT SUMMARY FORM

PROJECT DIRECTOR: Donald Thompson FY: 1977 FUNDING SOURCE: P.L. 09-313
Comprehensive Special Education
TITLE OF PROJECT: and Social Services Program CHECK ONE:
NAME OF STATE AGENCY SCHOOL: Tennessee School for the Deaf NEWLY DEVELOPED PROGRAM ☐
ADDRESS: P.O. Box 886 PHONE: 616-577-7581 CONTINUING PROGRAM ☒
(HARDER) (STREET)
Knoxville, TN 37901 SUPERINTENDENT: William Davis
(CITY) (ZIP CODE)

FUNDING LEVEL	POPULATION SERVED	SUMMARY OF PROGRAM
\$171,000.00	450 deaf and hard of hearing children and youth	The P.L. 09-313 program consisted of six components: The Diagnostic and Social Services component provided psychological and TSD-specific social services for the parents and children. One social worker was located in each of the three grand divisions of the State. The Social and Cultural component offered after school experiences which provided (1) respite from institutional life, (2) social interactions, and (3) enjoyment of recreational activities designed to foster coping skills. The Language and Communications activities provided (continued next page)
PARENT AND COMMUNITY INVOLVEMENT		
Parents provided transportation, assisted with recreational activities, and attended special activities. The Social Workers conducted parent training sessions. College students completed <u>recreation internships</u>.		
EVALUATION DESIGN		TITLE I FUNDED STAFF
A pre- and posttest model was utilized. Appropriate standardized tests were selected. Teacher-made checklists and inventories were also used.		6 Teachers 6 Aides 1 Psychologist 1 Jr. Accountant Clerk/Typist 1 Technical Services 1 Recreation Teacher Specialist 4 Recreation Assistants

(11)

individualized labs in language and communication which used AV media for immediate feedback. Efforts were made to standardize the system of manual communication. This included the production of video taped lessons shown through a closed circuit TV system. The speech therapy component provided individualized and group speech therapy. The dorm aides provided individualized care for the multi-handicapped children. A technician provided supportive technical services by keeping in good repair the hearing aids, audio-visual equipment and the like.

STATE OF TENNESSEE
LOCAL EDUCATIONAL AGENCIES
P. L. 99-141 PROGRAMS FOR HANDICAPPED CHILDREN
PROJECT SUMMARY FORM

PROJECT DIRECTOR: Wendell Huffman FY 1977 FUNDING SOURCE: P.L. 99-141, title I, ESSE
TITLE OF PROJECT: Mainstreaming the Deaf Handicapped CHECK ONE:
NAME OF LEA: Blount County Schools NEWLY DEVELOPED PROGRAM X
ADDRESS: Courthouse Annex, Room 206 PHONE: 615-984-1212 CONTINUING PROGRAM
(NUMBER) (STREET)
Maryville, TN 37801 SUPERINTENDENT: Floyd C. Porter
(CITY) (ZIP CODE)

FUNDING LEVEL	POPULATION SERVED	SUMMARY OF PROGRAM
\$1602.00	1 Hearing-Impaired Child, age 18	Manual communication was provided in the classroom on a daily basis by a full-time interpreter. Tutoring/remedial services were also provided the hearing-impaired child during the school day and in the home setting.
PARENT AND COMMUNITY INVOLVEMENT AND SPECIAL INSERVICE ACTIVITIES		TITLE I STAFF
The mother of the hearing-impaired child served as the interpreter/tutor, working under the supervision of the teacher and Special Education Director.		
EVALUATION DESIGN		1 Interpreter (15)
Teacher observations were made. Daily classroom behaviors were recorded. The Stanford Achievement Test was administered on a pre and post basis.		

300

EXCERPTS FROM WEST VIRGINIA'S STATE PLAN

WEST VIRGINIA STATE PLAN FOR P.L. 89-313

TITLE I PROGRAMS

INTRODUCTION

The FY 78 ESEA Title I Program for handicapped children will function at the West Virginia Schools for the Deaf and the Blind under the direction of the State Department of Education, the five hospitals operated by the West Virginia Department of Mental Health and local education agencies who are providing services to former residents of these two State Agencies. Project applications will be received by the State Education Agency from each participating agency for approval. Upon approval of the project applications, funds will be made available to the respective agencies in order that the projects may be implemented. Each application will include program objectives, proposed activities, numbers of participants, materials and equipment to be purchased, personnel to be hired, evaluation procedures and a budget statement. Application approval will be made on the basis of conformity to federal regulations and a judgement as to the potential success of the program.

The amount of funds available to each participating county board of education is determined by dividing the total state allocation by the number of eligible students in the State and multiplying the quotient by the number of eligible students in each county. Eligible students are defined as former residents of the West Virginia Schools for the Deaf and Blind or of institutions operated by the Department of Mental Health. The amount of money allotted for each student, based on FY 1977 funds, is estimated to be \$377 for former residents of the West Virginia Schools for the Deaf and Blind and \$479 for former residents of facilities operated by the Department of Mental Health.

WEST VIRGINIA DEPARTMENT OF MENTAL HEALTH

Narrative

1. Curriculum Development and Teacher Training -- All five mental health hospitals.

The first step in implementing this portion of the project involves the screening of each child in the five State mental health facilities. Screening procedures include academic, social and behavioral evaluations for the purpose of designing the most appropriate educational program and instructional setting.

Based on the screening results, the second step requires the development of written instructional strategies including program entry points, terminal program objectives, progress goals and daily assessment procedures. Reevaluation is to take place at the point at which the terminal program objectives are reached.

The third step in this element includes the following of children who leave the institutions. Two concerns are addressed by this operation. Success or failure of the instructional program may be assessed and assistance may be provided local agencies that receive the children.

2. Model Institutional Program - Colin Anderson Center, St. Marys, West Virginia

This program element is designed for older children (15-19 years) who are severely mentally retarded. The overall goal is to make these students self sufficient with regard to sanitary skills, eating, dressing and utilizing leisure time. Also of primary importance is communication. In many cases these children have little or no skills necessary for communication with others.

3. Communication Skills - Spencer and Lakin State Hospitals

Primary emphasis in the Lakin State Hospital program is that of oral and written communication. Students need sufficient vocabulary to communicate with others. In addition to oral communication, reading and writing skills will be developed where appropriate and to the extent possible. Instructional procedures will follow the individual program developed under the curriculum development aspect of the program as outlined in item 1.

Number Served

Mentally Retarded	221	Visually Handicapped	8
Emotionally Disturbed	39	Deaf	4
Crippled	110		
Professional Instructional Staff		5	
Professional Support Personnel		7	
Paraprofessional Instructional Staff		13	
Paraprofessional Support Personnel		3	

Total Budget - \$218,464

WEST VIRGINIA DEPARTMENT OF EDUCATION

Narrative

1. Independent Living - School for the Blind - 25-30 participants.

This program deals with skills necessary for independence in living. Activities are concentrated in two basic areas. The first being that of orientation and mobility. This includes orientation with regard to immediate surroundings and situations that would be encountered outside an institutional setting. Mobility training involves the ability to negotiate familiar and unfamiliar environments.

The second phase of the independent living program involves skills necessary to maintain living quarters. This program also necessitates implementation of skills obtained during mobility training. This program includes training in personal hygiene and grooming, maintenance of living quarters, clothing maintenance and repair, cooking, shopping, etc.

2. Electronics and Broadcasting - Schools for Deaf and Blind

Two areas of concentration are included in this program. The first is basic training in the principals of electronics. The second includes the operation of a broadcasting station. Maintaining the radio station involves operation of equipment as well as preparing scripts and choosing appropriate news items for broadcast. Intended outcomes for the program include career information, vocational training in radio broadcasting, a keener interest in and knowledge of current events and sufficient exposure in electronics to identify a vocational or avocational interest in it.

3. Guidance Services - Schools for Blind and Deaf

The primary services provided in the area of guidance is that of communication between school and parent and in evaluating students for development of instructional plans. Counselors work closely with teachers and parents for the purpose of developing curriculum and instructional procedures appropriate for each child. Contact with parents through counselors is also used to help train parents to deal with their children's handicapping condition.

4. Tutorial Services in Basic Skills - Schools for the Deaf and Blind

Paraprofessionals are employed to provide tutorial services to those children most in need. Services of paraprofessionals are provided both in the classroom and outside the classroom where disturbances are minimized. Reading and mathematics are the primary emphasis of the tutorial instruction. The paraprofessionals are trained in sign language or braille depending on the school in which they work.

5. In-Service Training - Schools for the Deaf and Blind

In-service will be provided Title I and non-Title I paid personnel. Included in the training will be student evaluation procedures, development of individualized curriculum and teaching strategies and communication skills.

Number of children to be served:

Visually Impaired	52
Deaf	173
TOTAL	225

Location: Romney, West Virginia

Number and type of staff:

5 professional instructors
 4 professional support personnel
 7 paraprofessional instructors
 172 paraprofessional support personnel

Total funds budgeted:

Approximately \$173,065.00

This total includes FY 1977 carryover.

LOCAL AGENCIES

Former residents of facilities of the West Virginia Department of Mental Health and presently in local agencies are 365 in number. The 365 children are dispersed among 21 local agencies. Most of the local agencies have very limited numbers of children and are consequently unable to hire personnel with the amount of funds provided by 89-313. These local agencies are using the funds to provide additional specialized materials appropriate for the children being served.

Counties with relatively large concentrations of former residents of mental health facilities are utilizing the 313 funds in addition to providing materials and equipment, in two areas. First is to provide paraprofessionals for individual assistance to eligible children. The second procedure is to offer additional support services including psychological services and speech therapy. County programs housing former residents of facilities operated by the Department of Mental Health for which project applications have been received are summarized below.

Clay

Project Narrative - The project will provide materials for diagnostic testing and specialized instructional supplies.

Number Served - 1 mentally retarded

Location - Clay County Schools, Clay, West Virginia 25043

Number and Type of Staff - None

Total Amount of Funds Budgeted - \$479.

Fayette

Project Narrative - Paraprofessionals will provide individual tutoring to the eligible students within the classroom and on a one to one basis outside the classroom.

Number Served - 33 mentally retarded

Location - Fayette County Schools, Fayetteville, West Virginia 25840

Number and Type of Staff - 5 part-time paraprofessionals

Total Amount of Funds Budgeted - \$15,807

Greenbrier

Project Narrative - Specialized materials and equipment will be purchased to facilitate learning in the areas of reading, language development and mathematics.

Number Served - 11 mentally retarded

Location - Greenbrier County Schools, Lewisburg, West Virginia 24901

Number and Type of Staff - None

Total Amount of Funds Budgeted - \$5,269

Hampshire

Project Narrative - Children will be provided services in language development and speech by a speech clinician. Services of a paraprofessional will be provided for individualized instruction in the basic skills areas.

Number Served - 25 mentally retarded

Location - Hampshire County Schools, Romney, West Virginia 26757

Number and Type of Staff - 1 part-time speech clinician
1 part-time paraprofessional

Total Amount of Funds Budgeted - \$11,975

Kanawha

Project Narrative - This project concentrates on providing psychological services and speech therapy. In addition, two paraprofessionals will perform tutorial services in the academic skills areas. Work study evaluations will be done on each child in order to develop individual instructional plans.

Number Served - 71 mentally retarded

Location - Kanawha County Schools, 200 Elizabeth Street, Charleston, West Virginia 25311

Number and Type of Staff - 1 psychologist - part-time
1 speech therapist - part-time
2 instructional aides

Total Amount of Funds Budgeted - \$33,947

Logan

Project Narrative - In order to provide additional individualized instruction, instructional aides will be employed. They will provide tutorial services to eligible students in the academic skills and in behavioral modification.

Number Served - 21 mentally retarded

Location - Logan County Schools, Logan, West Virginia 25601

Number and Type of Staff - 2 part-time paraprofessionals

Total Amount of Funds Budgeted - \$9,580

Monongalia

Project Narrative - Specialized materials and equipment will be purchased in order to stimulate the eligible students and improve their manipulative skills.

Number Served - 12 mentally retarded

Location - Monongalia County Schools, Morgantown, West Virginia 26505

Number and Type of Staff - None

Total Amount of Funds Budgeted - \$5,248

Project Narrative - Speech therapy and training in oral communications will be provided.

McDowell

Number Served - 15 mentally retarded

Location - McDowell County Schools, Box 649, Welch, West Virginia 24801

Number and Type of Staff - 1 Speech Therapist

Total Amount of Funds Budgeted - \$11,975

Fendleton

Project Narrative - Specialized teaching supplies will be provided to enhance visual perception and tactile skills.

Number Served - 6 mentally retarded

Location - Fendleton County Schools, Box 156, Franklin, West Virginia 26007

Number and Type of Staff - None

Total Amount of Funds Budgeted - \$2,874

LOCAL AGENCIES

Local agencies serving children who were formerly students at the West Virginia Schools for the Deaf and Blind have very few students in any given county. As a result, the local agencies are utilizing their funds as a means of acquiring specialized materials and equipment. Purchases include such items as large print materials, print enlarging viewers, tape recorders and sound equipment.

Twenty nine children are being served in 19 different school districts. Total funds budgeted for former residents of the West Virginia Schools for the Deaf and Blind is estimated at \$10,933.

County programs housing former residents of the West Virginia Schools for the Deaf and Blind for which project applications have been received are summarized below.

Clay

Project Narrative - This project will provide materials for diagnostic testing and specialized instructional supplies.

Number Served - 1 visually handicapped

Location - Clay County Schools, Clay, West Virginia 25043

Number and Type of Staff - None

Total Amount of Funds Budgeted - \$377

Fayette

Project Narrative - Provide tutorial services.

Number Served - 1 deaf

Location - Fayette County Schools, Fayetteville, West Virginia 25840

Number and Type of Staff - 1 paraprofessional

Total Amount of Funds Budgeted - \$377

Wangshire

Project Narrative - Services of a speech clinician will be provided along with diagnostic services.

Number Served - 3 deaf

Location - Wangshire County Schools, Romney, West Virginia 26757

Number and Type of Staff - 1 part-time clinician

Total Amount of Funds Budgeted - \$4,000

EXCERPTS FROM MINNESOTA'S STATE PLAN

Brainerd, Minnesota 56401
Brainerd Public School
Brainerd State Hospital

STATE OF MINNESOTA
DESCRIPTION OF 89-313 PROJECTS
FOR FISCAL YEAR 1978

DESCRIPTION OF PROJECT ACTIVITIES:

File no. 313-801A is a Brainerd public school program, and is labeled "Second Shift Education Program". This second shift program is designed to follow the same goals stressed in the area of self-help skills, which are taught during the regular school day. In addition, strong emphasis will be placed on leisure time and recreational activities. All students enrolled in the educational program and reside at the hospital will participate. All activities will be conducted in the regular school setting. Teachers will perform their duties, between 12:30 and 8:30 pm; all teacher aides will serve between 3:30 and 8:00 pm.

NUMBER OF CHILDREN SERVED:

One hundred and eighty (180) children.

STAFF:

Paid personnel (27)

The program utilizes service of:

- 6 teachers
- 20 teacher aides
- 1 other person

TOTAL FUNDING FOR ALL PROGRAMS:

\$143,999.52

LOCATION:

Cambridge State Hospital
Cambridge-Isanti Public Schools
Cambridge, MN 55008

DESCRIPTION OF PROJECT ACTIVITIES:

The Cambridge project is entitled, C.A.D.R.E. Center - Program Enrichment. The total program is broken down into the following components:

- (1) Residential School/Community School Liaison
- (2) Occupational Therapy
- (3) Automated Learning Environment
- (4) Water Therapy Setting
- (5) Behavior Management Component
- (6) Cooperative Project Staff Training Modules
- (7) Speech Therapy Program

Project activities will include providing student assessments and training of regular teaching staff, plus making adaptations in feeding equipment. Another activity will allow students to perform delineated tasks in an automated learning environment; to develop print and non-print staff training modules, including pre-test and post-test forms; to provide teacher aides, parents and students opportunities that will necessitate communication; to allow the behavior analyst to work with teachers, aides, parents and hospital staff, and finally an activity that affords visitation and conferences with parents and school on progress and program needs.

STAFF:

Paid personnel

Sixteen persons paid:

- 8 teachers
- 6 teacher aides
- 2 others

NUMBER OF CHILDREN SERVED:

Two hundred and five (205) children

TOTAL FUNDING FOR ALL PROGRAMS:

\$183,267.23

LOCATION:

Faribault, Minnesota 55921
 Faribault Public Schools
 Faribault State Hospital

DESCRIPTION OF PROJECT ACTIVITIES:

- (1) Occupational Therapy Program
- (2) Nursing Program
- (3) Behavior Analyst
- (4) Extended Day
- (5) Weekend Service

The occupational therapist program provides treatment training to preserve and improve abilities for independent function; prevent, if possible, irreducible or progressive disabilities, through orthotic/prosthetic appliances, positioning, sensory stimulation, etc.

The basic activities of the school nurse will consist of the daily monitoring of students, in response to teacher concern. This activity also provides first aid services, plus staffing inservice related to first aid, seizures, general student condition, etc. - behavioral assessments as related to self injurious behavior will be made on each resident at monthly intervals. The behavior analyst will assist in training staff in program development and behavior modification techniques. Results of analysis will be shared and reported to all staff members. The extended day activities allow the staff to accept the program with as much environmental exposure away from the residential buildings; included are those activities sponsored by the Faribault State Hospital, the Faribault community and the Title I staff.

Weekend service objectives are planned so as to utilize community, state hospital and non-local events/facilities to foster group socialization goals, development of acceptable behavioral habits relating to exposure to the community, growth and continuing development of the normalization principle. Specific activities may include movies, swimming, dances, social gatherings, parties, musically orientated programs, snowmobiling, hiking, picnics, sporting events, physical education activities, etc. However, leisure time skill development and recreation will constitute the main thrust of the weekend service proposal.

NUMBER OF CHILDREN SERVED:

Two hundred and sixty (260) children.

STAFF:

Paid personnel:

- 15 - Regular Day Teachers
- 3 - Program Coordinators
- 3 - Occupational Therapists
- 11 - Teachers (Extended Day)
- 23 - Educational Assistants
- 1 - Nurse
- 8 - Educational Assistants (Weekend Service)

TOTAL FUNDING FOR ALL PROGRAMS:

\$201,454.00

④ LOCATION:

Rochester, Minnesota 55901
Independent School District #535

DESCRIPTION OF PROJECT ACTIVITIES:

The subjects in these activities will be the TMR school age residents of the Rochester Social Adaptation Center. The project is entitled - "Communication / Behavioral Management / Assessment. TMR activities under this Title I project will identify the efficacy of individualized management by the behavioral management team for such aspects of behavior as toileting, elimination of self-abusive behavior and other atypical behaviors. An optimum model for delivery of speech and language services to the TMR population. Usage of a core vocabulary of pictures, suitable for non-verbal means of communication, i.e., language boards.

NUMBER OF CHILDREN SERVED:

Forty-nine (49) children.

STAFF:

Paid personnel:

Six (6) persons:

- 1 - Teacher
- 4 - Teacher Aides
- 1 - Other

TOTAL PROGRAM FUNDING:

\$41,306.12

⑤

LOCATION:

Rochester, Minnesota 55901
Independent School District #535

DESCRIPTION OF PROJECT ACTIVITIES:

This program benefits a population of emotionally disturbed children, and is entitled - "Community Awareness / Basic Skills". Field trips to city governmental service offices, recreational and cultural centers, and trips to businesses essential in daily living. Supplemental programs in math, language arts and reading will be available. In conclusion these activities will aid the students on awareness of community resources, plus increase their academic ability through basic skills in reading, math and language arts.

NUMBER OF CHILDREN SERVED:

Twenty (20) children.

STAFF:

Paid personnel:

- 2 - Teachers
- 1 - Teacher Aide

TOTAL PROGRAM FUNDING:

\$16,397.39

⑥ LOCATION:

Minnesota Braille and Sight Saving School
Faribault, Minnesota 55021

DESCRIPTION OF PROJECT ACTIVITIES:

This project is entitled - "Augmentation of Self Care, Mobility, Speech Pathology, and Recreation Activities". The activities are separated into three phases:

- PHASE I - Screening of students for speech disorders, evaluation of students for therapy, and consultation with individual classroom teachers.
- PHASE II - Activities will consist of verbal, demonstration, and hand-over-hand instruction of the students in orientation and mobility techniques.
- PHASE III - Includes the organization and coordination of recreational and leisure activities.

NUMBER OF CHILDREN SERVED:

Fifty-six (56) children.

STAFF:

Paid personnel:

3 - Persons

TOTAL FUNDING FOR ALL PROGRAMS:

\$42,796.98

⑦ LOCATION:

Fergus Falls, Minnesota
Independent School District #544
Fergus Falls State Hospital

DESCRIPTION OF PROJECT ACTIVITIES:

Fergus Falls' personal leisure activities for youth (PLAY) project is designed to teach state hospital residents to participate in appropriate leisure time activities. Since social behavior problems are primary reasons for exclusion of persons from the mainstream of society, PLAY will therefore promote a well planned and effective social behavior program, as a fundamental approach to this problem. PLAY will address the bizarre and incompatible behavior exhibited by many retarded and autistic children. PLAY is designed to develop more normal types of human interactions.

NUMBER OF CHILDREN SERVED:

Sixty-one (61) children.

STAFF:

Paid personnel:

The program uses services of 10½ persons.

TOTAL FUNDING FOR PROGRAM:

\$46,593.53

⑧ LOCATION:

Minnesota School for Deaf
Faribault, Minnesota 55021

DESCRIPTION OF PROJECT ACTIVITIES:

The following activities contribute towards the well rounded educational experience for children and young adults at the School for the Deaf...

- (1) Psychological consultant services
- (2) A variety of community and campus learning experiences.
- (3) Inservice training (local level).
- (4) Inservice training for parents.
- (5) Inservice training for school personnel (site visits included).
- (6) Dramatic presentations for students (student participation).
- (7) Lecture series using outside deaf consultants.
- (8) Gymnasium and other athletic experiences.

NUMBER OF CHILDREN SERVED:

One hundred and eighty-three (183) children.

STAFF:

Paid personnel:
11 - Persons

TOTAL FUNDING FOR PROGRAM:

\$135,831.06

⑨

LOCATION:

St. Peter Public Schools
Interdistrict Special Education Cooperative of St. Peter
St. Peter, Minnesota 56082

DESCRIPTION OF PROJECT ACTIVITIES:

Project no. 313-810 is a program for emotionally disturbed children at St. Peter State Hospital. Its purpose is to increase social skills needed to get along in society for social acceptance. Art, drawing and painting as well as ceramics and wire sculpture are the main mediums. Drama for students will begin with a minimum situation of role playing and work up to a one act play by years end. Music appreciation and a class in instrumental music to aid students in playing instruments of their own interest. Also featured, individual or small group singing sessions.

NUMBER OF CHILDREN SERVED:

Fifteen (15) children.

STAFF:

Paid personnel:
5 - Part-time teachers

TOTAL FUNDING FOR PROGRAM:

\$11,626.71

EXCERPTS FROM OHIO'S STATE PLAN

OHIO

Department of Mental Health and Mental Retardation TMR Projects

Agency	Approved Amount	Number of Participants	Title
Adams County	22,190.43	45	Home Training & Speech Therapy
Allen County	55,645.72	41	Behavioral Management, Early Childhood Intervention, Early School Age & Language Development
Ashland County	21,941.00	80	Daily Living
Ashtabula County	67,750.37	149	Physical Therapy, Home Training & Infant Stimulation
Athens County	19,813.00	24	Physical Therapy & Developmental Program
Auglaize County	29,040.00	30	Developmental, Pre-Vocational & Pre-Activity Program
Belmont County	43,106.00	80	Language Development, Perceptual Motor, & Early Childhood
Brown County	21,323.53	8	Developmental Self Contained Classroom
Butler County	119,766.31	108	Developmental, Physical Therapy, Early Intervention & Preschool Program
Carroll County	23,372.08	15	Home Training
Champaign County	25,703.42	60	Physical Development, Home Training & Speech & Language Therapy
Clark County-Town & Country Sch.	90,085.47	95	Preschool Therapy, Prescriptive Language & Developmental Program
Clermont Co Spec. Ed. Training	89,367.00	187	Developmental, Physical Therapy & Infant Stimulation Program
Clinton County	19,240.00	27	Preschool & Physical Development
Columbiana County	28,594.00	32	Transitional Class & Summer Preschool
Coshocton County	14,016.00	35	Preschool & Occupational Therapy Program
Crawford County	22,280.00	37	Preschool, School Age, Developmental, Home Training & Infant Stimulation
Cuyahoga County	565,884.64	143	Infant Stimulation, Non-Ambulatory Multiple-Handicapped & Preschool
Darke County	37,423.84	34	Home Training, Developmental & Multi-Handicapped
Defiance County	30,381.39	54	Developmental Disabilities & Physical Developmental
Delaware County	18,023.78	13	Therapy & Behavior Development Project
Erie County Betty Rinderle Sch.	33,420.00	123	Physical Development, Special Problems, Physical Therapy & Total Communication Program
Fairfield Co. 169	42,233.00	15	Developmental & Physical Therapy
Fayette County	22,832.57	91	Home Training, Communication Skill & Physical Development Program
Franklin County	421,613.00	160	Early Childhood Training, Applied Behavioral Analysis, Multi-Handicapped and Developmental
Fulton	21,142.00	32	Early Education, Speech, Physical

Agency	Approved Amount	Number of Participants	Title
Callia County	23,156.00	6	Pre Vocational Training
Geauga County	42,640.42	15	Non Ambulatory and Multiply Handicapped Program
Green County Happy Times School	41,106.00	53	Developmental & Speech Therapy Program
Guernsey County	41,183.44	56	Home Training, Preschool & Language Development
Hamilton County	362,517.34	573	Speech Therapy, Physical Development Home Training & Tiny Tot's Developmental Program
Hancock County	9,441.47	71	Physical Development Program
Hardin County Special School	9,431.28	20	Speech Therapy Program
Henry County Hope School	21,379.36	39	Preschool Developmental, Home Living & Home Training Program
Highland County Hills & Dales Sch.	18,687.30	47	Pre Vocational Program
Hocking County	11,822.00	14	Developmental, Speech & Language Program
Holmes County	22,207.00	20	Preschool Program
Huron County	27,685.46	40	Physical Therapy, Preschool, Reading & Math, Pre Vocational, Hearing Impaired & Non Verbal
Jackson County	33,562.00	24	Early Intervention, Physical Development & Behavioral Management Program
Jefferson County	55,942.00	40	Developmental & Preschool Infant Stimulation
Knox County New Hope Center	24,169.24	28	Home Training & Developmental Services
Lake County	88,880.00	48	Non Ambulatory & Preschool
Lawrence County Open Door School	26,142.00	54	Speech & Language Therapy, Home Training & Early Childhood Program
Licking County Eleanor S. Weiant	71,121.00	18	Early Childhood and Intermediate Multihandicapped
Logan County Ludlow Center	32,863.22	22	Pre Vocational, Physical & Language Development
Lorain County	181,462.07	143	Non Ambulatory, Early Childhood, Communication Enrichment, Profoundly Retarded & Practical Skills
Lucas County	306,845.88	304	Multiple Adaptive Behavior Learning Experience, Exceptional Child Training, Early Stimulation, Speech & Occupational Therapy & Home Training
Madison County Fairhaven School	34,189.00	50	Developmental, Home Training & Preschool Program
Meigs County	46,686.50	52	Multi Physically and/or Emotionally Handicapped & Early Developmentally Delayed

Agency	Approved Amount	Number of Participants	Title
Marion County MARCA School	58,968.13	156	Early Infancy Stimulation, Daily Living & Language Development Program
Medina County Achievement Center	48,046.74	105	Multiple Handicapped, Speech & Hearing & Language Development
Mercer County	23,070.00	8	Expansion of Service for Multi-handicapped and Identification
Miami County Riverside School	45,044.00	7	Early Childhood, Multihandicapped, Home Training
Monroe County	19,048.00	31	Early Childhood, Home Training, Language, & Speech & Hearing
Montgomery County	347,802.31	169	Multi Handicapped, Developmental, Behavior Disorders & Instruction for the Blind
Morgan County Mary Hammond Sch.	12,000.00	8	Home Training
Narrows County Whetstone School	25,673.44	34	Preschool & Basic Skills
Huskingum County Starlight Sch.	57,380.12	192	Preschool, Developmental, Home Living & Speech & Language
Ottawa County	15,954.00	3	Developmental Class
Paulding County	12,874.00	6	Intermediate Pre-Workshop Program
Perry County Community Sch.	19,009.29	20	Special Needs & Language Development Program
Pickaway County	27,872.00	40	Independent Living, Infant Stimulation & Preschool Program
Pike Co.- School for Child Advancement	15,015.00	40	Early Childhood & Home Based Program
Portage County	74,631.00	86	Infant Stimulation, Nursery, Self Esteem & Adaptive Behavior Program
Preble County	19,294.73	26	Preschool & Transitional Program
Putnam County Brookhill Ctr.	18,094.23	24	Language Development Program
Richland County Newhope Center	55,673.00	121	Prescriptive Language, School Community Workshop Training, Adaptive Behavior & Speech & Physical Therapy
Ross County Pioneer School	38,070.00	69	Sp. Hear. Th. Phys. Th. Cons. - Dev. Drivers T.-H.T.
Sandusky County	38,141.49	31	Rehabilitation Program for Developmentally Disabled
Scioto County Happy Hearts Sch.	65,100.00	58	Pre Vocational, Speech/Language Therapy, Preschool & Community Program
Seneca County Sch. of Opportunity	27,695.00	33	Preschool, Early Infant Stimulation & Multi Handicapped
Shelby County	13,200.00	5	Developmental Class for Severe/Profound Retarded

Agency	Amount	Participants	Title
Stark County	197,470.00	18	Non Ambulatory, Intensive Adaptive Training, Motor Development & Speech Communications Program
Summit County	268,251.00	95	Preschool, Early Childhood, Developmental Training, Hearing Impaired and/or Expressive Communications Deficits & Emotional Overlay
Triebell County Fairhaven Sch.	117,409.53	150	Non Ambulatory & Speech Services
Tuscarawas County Starlight School	41,660.00	58	Infant Stimulation, Transitional Preschool, Physical & Occupational Therapy
Union County Sch. of Opportunity	15,809.75	12	Preschool and Early Childhood Training
Van Wert County	22,154.00	15	Preschool and Home Based Services
Vinton County Community School	12,000.00	26	Home Training, Language Development & Physical & Occupational Therapy
Wayne County	65,145.00	31	Developmental, Preschool & Physical Therapy
Washington County	24,601.00	8	Developmental Program
Wayne County	65,520.00	36	Developmental, Infant Stimulation, Physical Therapy & Adaptive Behavior
Williams County Sunnyside School	22,827.60	16	Developmental Disabilities
Wood County	45,044.50	88	Developmentally Delayed & Physical Therapy
Wyandot County	14,118.54	31	Preschool, Physical Therapy, Home Training

Department of Mental Health and Mental Retardation - Institutions

Dayton Children's Psychiatric Hospital	79,500.34	60	Learning Stimulus Program
Sagamore Hills Child Developmental Hosp.	64,282.00	125	Remedial Reading/Arithmetic for Persisting Life Problems
Valley View Sch. of Apple Creek St. Inst.	95,718.50	34	Comprehensive Educational Services Project
Central Ohio Psy. Hosp. Centex School	43,829.00	58	Language & Feeding Study
St. Vincent's Child Development Center	76,624.00	45	Reading Physical Education Continuum
Valentine State Inst.	70,130.00	60	Comprehensive Early Living Skills Project
Wright State Inst.	137,668.00	35	Wright TDR Program B
DR. Warren St. Inst.	87,806.00	70	Developmental Life Training Program West
Longview State Hosp. Shiloh's Unit Sch.	16,770.00	60	Vocational Education Program
Wright State Inst.	106,190.00	30	Wright TDR Program A
Valley View Sch. of Apple Creek	137,127.85	108	DR "Soundstart" Project
Valentine State Inst.	141,120.00	30	DR Comprehensive Communication Project

Ohio Department of Education

Agency	Approved Amount	Number of Participants	Title
Ohio State School For the Deaf	\$116,264.00	385	Special Education For The Deaf
Ohio State School For the Blind	\$ 54,501.00	185	Orientation and Mobility Speech & Hearing Therapy Psychological Services

PART V

PERSONNEL

A review of personnel allocations for 89-313 and other Office of Education programs.

BUREAU OF EDUCATION FOR THE HANDICAPPED

PERSONNEL FOR P.L. 89-313

As stated earlier, in spite of the fact that 89-313 money is in every state and territory, in spite of the fact that over \$804 million has been spent to date on this program, with another \$145 million scheduled to be spent next year, this program seems to have simply fallen through the bureaucratic crack. The Bureau of Education for the Handicapped, which administers this program has only three full time employees (A GS-14, GS-9, and a GS-7) responsible for it. BEH State Plan Officers technically play a role in the oversight of 313 programs, however, considering their limited number and their overwhelming responsibilities in implementing 94-142, it has been impossible to determine what role they have or time they spend on 313 matters.

It is difficult to explain why there were only three people working full time on 89-313 programs for the handicapped in state operated or supported schools, when it is compared to other similar formula grant programs administered by the Office of Education. There does not appear to be any rhyme, reason or relationship to responsibilities. For example, the 89-313 programs for migratory children administered \$131 million in FY '77 and had 15 full time positions; 89-313 for children in state institutions for the neglected and delinquent administered only \$29 million in the same year yet had 29 staff positions. The impact aid program which is a formula grant program administered \$768 million and has 94 full time positions. The Adult Education Act spent \$181 million in FY '77 and had 32 positions. Other programs which are not formula grant appear to have uneven personnel allocations as well. The metric education program had only \$2 million in FY '77 yet had 6 positions. The Right to Read program had 26 full time positions to administer \$56 million. The Gifted and Talented program also administered by BEH has 6 positions for administering \$5 million.

As difficult as it is to understand the logic behind the Office of Education personnel distribution, it is even harder to understand the grade levels that are assigned to various programs. There are no questions being raised here as to the competence of any individuals, the matter is being raised merely because of the apparent inequity that seems to exist between the number of personnel and the grade levels working in and having responsibility for the 89-313 program as compared with other program responsibilities within the Office of Education. The questions raised here go beyond the scope of this report and 89-313 itself.

Attached is a chart submitted by the Office of Education to the Committee showing the number of Office of Education Ceiling Positions Allocated to Selected Elementary and Secondary Education Programs for Fiscal Year 1977.

In addition to this list the Office of Education submitted, a last column has been added based upon additional information supplied by the ODE, Office of Legislation. The last column indicates the GS level ratings for 31 Office of Education programs. In some cases the GS level of the Division Director of the program will be listed and that GS level will be followed by the individuals the Office of Education reported as having day to day responsibility.

Considering that there will be \$145 million in the 89-313 program during the next fiscal year and the day to day responsibility for the program is in the hands of a GS-14 level employee, one must ask why programs such as the Women's Equity Program (#12) with a \$7 million appropriation is headed by a GS-15, the Career Education Program with a \$10 million appropriation is headed by a GS-15, the Ethnic Heritage Program with a \$2 million program is headed by a GS-15, the Gifted and Talented Program with a \$5 million appropriation is headed by a GS-15. The Packaging and Dissemination (#30) with a \$10 million appropriation has two GS-15's and 1 GS-13 working in it.

In BEH itself, which has overall responsibility for 89-313 as well as other programs, it is also difficult to understand on what basis GS level responsibilities are assigned. For 1978, in addition to the \$145 million for 89-313, the Bureau will administer under Part B of P.L. 94-142, \$465 million, plus \$158 million for Parts C, D, E, and F. These programs include research and innovation, training, recruitment, media services and early childhood education. According to the Office of Education, between Division Directors and the Bureau Chiefs there are 3 GS-16's, 2 GS-15's, 5 GS-14's and 1 GS-13 administering programs totalling \$157.9 million. 89-313 technically has a GS-15 as a Division Chief but the GS-14, GS-9 and a GS-7 have actual day to day responsibility for the total program.

TABLE OF BY CIPING POSITIONS ALLOCATED TO ELIGIBLE ELEMENTARY AND SECONDARY
EDUCATION PERSONNEL AND THE FISCAL YEAR 1971 "BRIDGE" APPROPRIATIONS FOR THESE ELEMENTARY AND SECONDARY EDUCATION PERSONNEL

Type of Activities	Authorizing Legislation	Positions Allocated			Appropriation			GS GRADE LEVELS FOR RESPONSIBLE PROGRAM PERSONNEL
		Number	Percent 1/ of total	Cumulative Percent	Dollars (millions)	Percent of total	Cumulative Percent	
1. Programs for gifted children (GDE 13.428)	Elementary and Secondary Education Act, Title I, Sec. 112	15	1.7	1.7	131	2.8	2.8	Division Director - GS-16 Day to Day Respon. - GS-15
2. Programs for disadvantaged children (GDE 13.428)	Elementary and Secondary Education Act, Title I	61	7.1	8.8	1,721	36.8	39.6	Division Director - GS-16 Day to Day Respon. - GS-15(3)
3. Vocational education - basic programs (GDE 13.433; 13.434; 13.435; 13.436; 13.437; 13.438)	Vocational Education Act of 1963, Parts B, F, G, H, J, and Sec. 102(N) and 104	77	9.0	17.8	535	11.6	51.2	Division Director-GS-16(4 progs.) Division Director-GS-15(1 prog.)
4. School maintenance and operation (GDE 13.478)	School Assistance in Federally Affected Areas (PL 81-874)	74	10.8	28.7	768	16.4	67.6	Division Director - GS-15 Day to Day Respon. - GS-14(3)
5. Indian Education (GDE 13.534; 13.535)	Indian Education Act (PL 92-310)	21	2.6	31.3	25	.5	68.1	Deputy Commissioner - GS-18(hy law) Day to Day Respon. - GS-15(GS-14)
6. Desegregation assistance (GDE 13.523; 13.524; 13.525; 13.526; 13.527; 13.528; 13.529; 13.530)	Emergency School Aid Act, Title VII (PL 92-310) and Civil Rights Act of 1964, Title IV	158	18.4	49.7	275	5.9	74.0	Associate Commissioner - GS-17 Day to Day Responsibility - GS-15(5)
7. Supplementary educational services and services, guidance counseling, and testing for the handicapped (GDE 13.519)	Elementary and Secondary Education Act, Title IV-C	Included in 13.571, Educational Innovation and support			10	.2	74.2	Division Director - GS-15
8. Education for the Handicapped (GDE 13.444; 13.445; 13.446; 13.447; 13.448; 13.449; 13.450; 13.451)	Education of the Handicapped Act, Parts C, D, and F	62	7.2	56.9	111	2.4	76.6	Division Director - GS-16(3) Day to Day Respon. - GS-15(2) GS-14(5) GS-13(1)
9. Community schools (GDE 13.581)	Education Amendments of 1975, Special Projects Act, Sec. 402	7	.8	57.7	4	.1	76.7	Acting Director - GS-14
10. Bilingual education technical assistance consultation (GDE 13.423)	Elementary and Secondary Education Act, Title VII	Included in 13.403, Bilingual education			4	.1	76.8	Office Director - GS-16 Exec. Asst. - GS-15 Div. Dir. Day to Day - GS-15(3)

NUMBER OF OPENING POSITIONS ALLOCATED* TO SELECTED ELEMENTARY AND SECONDARY
EDUCATION PROGRAMS AND THE FISCAL YEAR 1977 (DOLLAR) APPROPRIATIONS FOR THESE ELEMENTARY AND SECONDARY EDUCATION PROGRAMS
(Continued)

Type of assistance	Authorizing Legislation	Positions Allocated			Appropriation			GS GRADE LEVELS FOR RESPONSIBLE PROGRAM PERSONNEL
		Number	Percent of total	Cumulative percent	Dollars (millions)	Percent of total	Cumulative percent	
10. Bilingual education (OMB 13.103)	Elementary and Secondary Education Act, Title VII	60	7.0	64.3	28	7.1	75.3	Same as #10
11. Women's educational equity (OMB 13.303)	Education Amendments of 1974, Special Projects Act, Sec. 403	3	.3	64.6	3	.2	75.4	Office Director - GS-15
12. Career education (OMB 13.334)	Education Amendments of 1974, Special Projects Act, Sec. 403	19	2.2	67.0	10	.2	75.6	Office Director(acting)-GS-15
14. Ethnic Heritage Studies (OMB 13.349)	Elementary and Secondary Education Act, Title IX	5	.6	67.6	2	4	75.8	Office Director - GS-15
15. Gifted and talented children (OMB 13.352)	Education Amendments of 1974, Special Projects Act, Sec. 404	5	.7	68.3	3	.2	76.0	Office Director - GS-15
Adult education (OMB 13.400)	Adult Education Act	32	3.7	72.0	81	1.7	81.1	Division Director - GS-15
17. Follow Through (OMB 13.433)	Community Services Act (PL 93-644) Title V	29	3.4	75.4	58	2.3	82.4	Division Director - GS-15
18. Indian education (OMB 13.536)	Indian Education Act (PL 92-518) Title IV, Part 2 (Sec. 314 Adult Education Act)	3	.3	75.7	4	.4	82.9	Division Director - GS-14
19. Educational innovation and support (OMB 13.571)	Elementary and Secondary Education Act, Title IV-C	36	4.2	79.9	125	4.0	86.9	Same as #7
20. Program for the handicapped- aid to states (OMB 13.645)	Education of the Handicapped Act, Part 2, as amended by PL 94-142	45	5.2	85.1	200	4.1	90.8	Div. Director - GS-16 Day to Day Respon. - GS-15
21. Teacher Corps (OMB 13.689)	Higher Education Act, Title V	39	4.5	89.6	38	.2	91.0	Office Director - GS-16

OFFICE OF THE JOINT CHIEFS OF STAFF
EDUCATION PROGRAM AND THE FISCAL YEAR 1977 BUDGET: APPROPRIATIONS FOR THESE ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

Type of Assistance	Authorizing Legislation	Funds Allotted		Appropriation			GR- GRADE LEVELS FOR RESPONSIBLE PROGRAM PERSONNEL
		Number	Percent of total	Percent of total	Dollars (billions)	Percent of total	
1. Program for children in acute situations for the employment and education (DPA 13-431)	Elementary and Secondary Education Act, Title I, Sec. 112	7	.8	92.4	20	.8	Same as #2
23. Library and learning resources (DPA 13-370)	Elementary and Secondary Education Act, Title VI-4	20	2.3	92.7	147	3.2	Branch Director - GS-16
24. Fight to Read (DPA-13-332)	Education Amendments of 1976, National Reading Program, Title VII (PL 94-500 as amended by PL 94-514)	10	3.5	95.7	10	.4	Office Director - GS-16
25. Indian education (DPA 13-318)	Indian Education Act (PL 91-522) Title IV, Part 2	8	.9	99.0	11	.2	Same as #1
26. Programs for the handicapped in state-supported schools (DPA 13-427)	Elementary and Secondary Education Act, Title I, Sec. 111	Excluded in 13,448, Programs for the handicapped - and no more			111	2.4	Branch Chief - GS-15 Day to Day Wagon - GS-14
27. Executive grants (DPA 13-314)	Elementary and Secondary Education Act, Title I, Part 5	Excluded in 13,418, Programs for handicapped and more			23	.7	Same as #2
28. Trade administration of 1976, Title I program (DPA 13-430)	Elementary and Secondary Education Act, Title I	1	.1	91.7	21	.2	Same as #2
29. Trade equalization grants (DPA 13-312)	Education Amendments of 1976, Title VIII, Part 2, Sec. 842	7	.8	97.5	11	.5	Office Director - GS-15 Day to Day Wagon - GS-14
30. Packaging and dissemination (DPA 13-331)	Education Amendments of 1976, Sec. 403, Special Programs Act and the General Education Technology Act, Sec. 422(a)	13	1.5	99.0	10	.3	Day to Day Wagon - GS-13(2) GS-13(1)
31. Matrix education (DPA 13-313)	Education Amendments of 1976, Special Programs Act, Sec. 423	6	.7	92.7	8	.4	Office Director - GS-14
TOTAL		101	100		4,876		

* Allocation as of 5/1/77

† This is the portion of the total of staff allocations for the 31 programs listed herein. Accordingly, it is imperative to the appropriations data given in the last three rows.

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PART VI

HEW AUDITS OF 89-313

HEW AUDITS ON 89-313

The Department of Health, Education and Welfare has a policy of attempting to reviewing the Department's programs through ongoing audits. These are done by HEW's Audit Agency. As part of their periodic review several P.L. 89-313 recipients have been audited. It should be understood that these audits are in addition to those that must routinely be done by each state. The HEW agency attempts to work on a cycle of three years. In conducting their audits, they review the overall use of funds that go to states, as well as the funds which go to state and local agencies.

The agency attempts to do three to six audits on 313 programs each year. Included in this figure, however, are other programs for the handicapped funded under Title VI, Part B of P.L. 94-142.

Essentially the agency:

- (1) reviews the project application,
- (2) determines if the money is spent on those items that the recipient contracted for,
- (3) attempts, where possible, to make on-site visits, and
- (4) attempts to determine if the needs of the children identified are being met and whether a local evaluation is being done.

The following state 313 programs have been audited:

1. Maryland - 1974
- *2. Michigan - 1975
- *3. Idaho - 1975
- *4. Connecticut - 1976
- *5. California - 1976
6. District of Columbia - 1976
- *7. Alabama - 1976
- *8. Illinois - 1976
- *9. New Jersey - 1976
- *10. Kansas - 1977
- *11. Nebraska - 1977
- *12. Washington - 1977
13. Rhode Island - Now being audited.
14. Colorado - Now being audited.
15. Oregon - Now being audited.
16. Wisconsin - Now being audited.

* The backgrounds and highlights of the audit results for these states are attached. Complete audits are on file with the Education and Labor Committee.

HEW AUDIT OF KANSAS

BACKGROUND

Kansas

The primary federal legislation providing grants to states for the education of handicapped children is included in Title I of the Elementary and Secondary Education Act of 1965 and in Title VI, Part B of the Education of the Handicapped Act of 1970. Federal legislation defines handicapped children as those who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education.

Title I differs from Title VI-B primarily in that Title I provides grants to state agencies directly responsible for providing free public education to handicapped children in state-operated or state-supported schools, whereas Title VI-B provides grants to state education agencies for educational services furnished to handicapped children by local educational agencies.

The application for participation by the State in the handicapped program contained assurances that the State educational agency would administer the programs and submit reports in accordance with the provisions of the Acts. In this respect, the State educational agency was responsible for determining whether projects were designed to meet the special educational needs of handicapped children and for providing the necessary assistance and monitorship to ensure that funds were used for authorized purposes.

During the 5-year period ended June 30, 1975, the State educational agency was allocated \$5,284,725 to fund Title I handicapped projects, and \$3,397,991 to fund Title VI-B handicapped projects.

SCOPE OF AUDIT

Our audit of programs for the education of handicapped children was made in accordance with standards for governmental auditing. The principal objective of our review was to evaluate the effectiveness of State educational agency practices and procedures in assuring that projects were (i) designed and implemented to meet the special education needs of handicapped children and (ii) funded in accordance with applicable U.S. Office of Education regulations. Our audit included a review of financial expenditure reports covering the period July 1, 1971, through December 31, 1975, and current program operations, including grant awards, through September 30, 1976. Audit work was performed at the State educational agency, the State Department of Social and Rehabilitation Services, ten State-operated schools for handicapped children, three accredited special purpose schools for handicapped children, four private day care centers, and two local educational agencies.

HIGHLIGHTS OF AUDIT RESULTS

The Kansas State Department of Education inappropriately included 4,519 days of attendance in its applications for Title I assistance to handicapped children attending State-operated schools, special purpose schools, and private day care centers during the 5-year period ended June 30, 1976. Since daily attendance is the basis for determining the amount of Title I handicapped funds to be allocated to the states, Kansas was allocated \$2,089,789 to which it was not entitled. As of September 30, 1976, the State had received \$1,885,009 of the inappropriate allocation. The daily attendance included in the State's Title I handicapped application was inappropriate because:

- State-operated schools failed to adjust their attendance reports for those children in attendance less than an hour who were not to be counted for allocation purposes, and for those children in attendance more than an hour but less than 3 hours who were to be counted as one-half day of attendance.
- Day care centers did not (i) offer free public education under public control and supervision, (ii) have an organized program of instruction recognized under State law as furnishing elementary or secondary education, (iii) receive significant State support for the educational program, and (iv) serve children whose education was the responsibility of a State agency.
- Special purpose schools provided education to handicapped children whose education was the responsibility of local educational agencies and as such the children did not qualify for assistance under Title I.

In addition, the State Department of Education granted \$86,000 to a local educational agency for a Title VI-B project to serve socially maladjusted children ineligible for assistance under the Act. The State also exceeded the Title VI-B statutory limitation on planning and administration by \$37,220.

We are recommending procedural improvements to ensure proper reporting of attendance data by State-operated or supported schools participating in the Title I handicapped program, and implementation of controls to ensure that only eligible handicapped projects are approved and that planning and administrative costs are kept within statutory limitation. We are also recommending that financial adjustments be made to the federal government for the inappropriate Title I handicapped allocations, and for the improper Title VI-B expenditures. The amount of financial adjustment will be determined by the U.S. Office of Education.

The State educational agency, in commenting on the report, disagreed with the findings. The State agency generally took the position that the U.S. Office of Education either directed, or approved, the policies and procedures used by the State to determine average daily attendance under Title I. The State further contended that the U.S. Office of Education approved the administrative and planning expenditures under Title VI-B. The State further defended its approval of the project for maladjusted children, indicating that the children were also emotionally disturbed. The State's comments are included verbatim following each finding.

NEW AUDIT OF NEBRASKA

Nebraska

BACKGROUND

The primary federal legislation providing grants to states for the education of handicapped children is included in Title I of the Elementary and Secondary Education Act of 1965 and in Title VI, Part B of the Education of the Handicapped Act of 1970. Federal legislation defines handicapped children as those who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health impaired children who by reason thereof require special education.

Title I differs from Title VI-B primarily in that Title I provides grants to state agencies directly responsible for providing free public education to handicapped children in state-operated or state-supported schools, whereas Title VI-B provides grants to state education agencies for educational services furnished to handicapped children by local educational agencies.

The application for participation by the State in the handicapped program contained assurances that the State educational agency would administer the programs and submit reports in accordance with the provisions of the Acts. In this respect, the State education agency was responsible for determining whether projects were designed to meet the special educational needs of handicapped children and for providing the necessary assistance and monitorship to ensure that funds were used for authorized purposes.

During the 5-year period ended June 30, 1975, the State educational agency received grant awards totaling \$1,556,476 to fund Title I handicapped projects and \$1,777,657 to fund Title VI-B handicapped projects.

SCOPE OF AUDIT

Our audit of programs for the education of handicapped children was made in accordance with standards for governmental auditing. The principal objective of our review was to evaluate the effectiveness of State educational agency practices and procedures for assuring that projects were (i) designed and implemented to meet the special educational needs of handicapped children and (ii) funded in accordance with applicable U.S. Office of Education regulations. Our audit included a review of fiscal expenditures covering the period July 1, 1970, through June 30, 1974, and current program operations through June 30, 1975. Audit work was performed at the State educational agency, six State-operated schools for handicapped children, and two local educational agencies.

HIGHLIGHTS OF AUDIT RESULTS

Review of State educational agency administration of supplementary education programs for handicapped children funded under Title I of the Elementary and Secondary Education Act, and Title VI-B of the Education of the Handicapped Act disclosed that:

- The State received \$406,738 in excess of its Title I handicapped entitlement during the 5-year period ended June 30, 1975, because of inaccuracies in average daily attendance data supporting its allotment.
- The State exceeded Title VI-B handicapped expenditure limitations placed on planning and administration by \$94,274 during fiscal year 1974, because it elected to use federal project funds to conduct planning required under a new State education for the handicapped law.
- The State, contrary to the intent of the Act, awarded \$28,000 of Title VI-B handicapped funds to provide general improvement of manpower resources because of a requirement to meet a State handicapped teacher competency based endorsement.
- The State did not require State-operated schools to evaluate the effectiveness of handicapped projects using objective measurements of educational achievement with particular reference to progress made toward meeting the special educational needs of educationally deprived children.

These conditions demonstrated a need for improvement of project approval, monitoring, and evaluation procedures, and a need to establish internal controls to preclude future misappropriation of federal funds. Financial adjustments for past inappropriate expenditures should be made to the Titles I and VI-B accounts. The amount of the financial adjustment will be determined by the U.S. Office of Education.

The State educational agency did not concur with any of the findings and recommendations. The State contended that (i) average daily attendance data were proper and appropriate under federal rules, (ii) child-oriented needs assessment projects rather than planning activities were conducted, (iii) Title VI-B does permit training of all personnel in special education programs, and (iv) adequate procedures and controls have been in effect to evaluate handicapped projects.

It is the HEW Audit Agency's opinion that the State educational agency had not followed the federal regulations and U.S. Office of Education guidelines in administering Title I and Title VI-B handicapped children projects. The conditions which the State failed to follow in determining average daily attendance for purposes of establishing its Title I handicapped allotment were clearly defined in the regulations. Likewise, the regulations and guidelines were specific in establishing limitations for planning and administration, and for training under Title VI-B. It is also the opinion of the HEW Audit Agency that the State educational agency had not complied with federal regulations which required that handicapped children projects be evaluated using objective measurements of educational progress.

NEW AUDIT OF CONNECTICUT

Background

Connecticut

Federal legislation authorizing grants to states for education of handicapped children is included in Title I of the Elementary and Secondary Education Act of 1965, as amended, and in Title VI, Part B of the Education of the Handicapped Act of 1970, as amended. Under pertinent Federal legislation, handicapped children are defined as those children who are mentally retarded, hard of hearing, deaf, speech impaired, visually impaired, seriously disturbed emotionally, or crippled. The legislation also includes impaired children who, because of their impairments, require education and services.

Title I differs from Title VI, Part B, primarily in that Title I provides grants to state agencies responsible for providing free public education to handicapped children in state-operated or state-supported schools. Title I funds are allotted to states under a formula based on the reported number of handicapped children in average daily attendance (ADA). Title VI, Part B, on the other hand, provides grants to state agencies for educational services furnished handicapped children by local educational agencies. Herein funds are allotted to states on the basis of the ratio of a state's age three to age 21 population to the national age three to age 21 population.

The State's application for participation in subject programs contained assurances that the State Department of Education, hereinafter referred to as the state educational agency (SEA), would administer the programs and submit reports in accordance with provision of the pertinent Acts. In this respect the SEA was responsible for determining whether projects were designed to meet special educational needs of handicapped children, and for providing necessary assistance and monitoring to ensure that funds were used for authorized purposes.

From July, 1, 1969 through June 30, 1975, the SEA received \$7,170,918 under Title I of the Elementary and Secondary Act of 1965. During this period, costs of about \$6.4 million were incurred. Under Title VI, Part B, of the Education of the Handicapped Act, the SEA received \$1,992,435 and incurred costs of about \$1.7 million.

During the same six-year period ended June 30, 1975, the SEA awarded State funds of about \$130 million to local education agencies for special education programs. These payments were made pursuant to the General Statutes of Connecticut pertaining to special education. The Connecticut General Statutes mandated that special education under State-funded programs could be made available to "any exceptional child who: (1) is mentally retarded, physically handicapped, socially and emotionally maladjusted, neurologically impaired, or suffering an identifiable learning disability which impedes his rate of development, which disability is amenable to correction or which rate of development may be improved by special education; or (2) has extraordinary learning ability or outstanding talent in the creative arts, the development of which requires programs or services beyond the level of those ordinarily provided in regular school programs, but which may be provided through special education as part of the public school program."

Expenditures from Federal and State funds for the education of handicapped and/or exceptional children during the six fiscal years ended June 30, 1975 follow:

Fiscal Year	Federal Funds		State Funds**	Total
	Title I	Title VI		
1970	\$ 910,681	\$ 193,129	\$ 11,262,307	\$ 12,366,117
1971	943,095	170,114	16,290,596	17,403,805
1972	1,080,835	194,813	20,880,518	22,156,166
1973	1,267,238	500,370	24,082,308	25,849,916
1974	1,085,501	472,324	26,204,073	27,761,898
1975	<u>1,142,163*</u>	<u>169,480*</u>	<u>30,778,365</u>	<u>32,091,008</u>
	\$6,429,713	\$1,691,230	\$129,498,167	\$137,619,110

*Estimated amount. Expenditure reports not finalized at time of review.

**Does not include State-funded educational programs for handicapped children residing in State-operated or State-supported schools. These programs were funded by appropriations to other State agencies such as Health, Mental Health, etc. which were not included in this review.

Scope of Review

Our review was made in accordance with standards for governmental auditing. The objective of the review was to determine whether SEA policies, procedures and practices relative to financial reporting, submission of average daily attendance (ADA) data, and auditing of project expenditures were effective. In pursuit of our objectives and, in addition to reviewing pertinent SEA financial policies and procedures, we reconciled the total Federal share of outlays and unpaid obligations reported to the U.S. Office of Education (USOE) on annual Financial Status Reports (fiscal years 1970-1974) with data included in SEA summaries prepared from Statements of Expenditures submitted by participating State institutions and local school departments.

Concerning our review of Title I fiscal operations, we extended our efforts beyond the SEA by analyzing selected financial transactions and expenditure reports applicable to one project in each of five of 24 State institutions participating in the program in fiscal year 1975. In addition to reviewing pertinent supporting documents at these project sites, we interviewed project personnel and observed current project activities. In three of these institutions, we reviewed fiscal year 1974 ADA data for purposes of determining whether such data as submitted to the SEA, and in turn to USOE, were accurate.

With regard to both Title I and Title VI, we evaluated procedures established by the SEA for audit of project expenditures, and reviewed available audit reports covering such expenditures.

We did not review program results as part of this effort. Unless otherwise indicated, all audit work was done at the SEA in Hartford, Connecticut.

HIGHLIGHTS OF AUDIT RESULTS

In our opinion, the SEA has established adequate policies, procedures and practices for accumulating and summarizing financial data applicable to federally-supported projects for the education of handicapped children. We also believe that the annual financial reports prepared by the SEA and submitted to USOE represent results of project financial operations as reported to the SEA by program participants.

We determined that average daily attendance data generated and reported by the three institutions selected for examination were accurate. A minor procedural weakness noted at one institution was brought to the attention of appropriate personnel.

As indicated in the "Scope of Review" section of this report, we reviewed costs claimed by five State-operated and/or supported schools participating in the Title I program during fiscal year 1975. This examination consisted of reviewing a separate project at each of the five institutions. We found that four of the five projects were charged, as prescribed by the State Comptroller, for retirement contributions (employer's share) in amounts exceeding those actually paid into the State Employees Retirement Fund. We are recommending that the State Comptroller's department process refund adjustments to federally-funded project accounts at the particular institutions for identified inappropriate charges totaling \$49,974. We are also recommending that the SEA take action to recover from the State Comptroller's department similar inappropriate charges for retirement, identifiable with other federally-funded Title I project not examined during our review. (see page 9).

The SEA agreed with the facts presented in our finding and concurred with the intent of our recommendation for adjustment. In this regard, the SEA proposes to effect the recommended adjustments of \$43,974 by withholding future retirement charges (employer's share) against federally-supported projects until identified inappropriate charges have been recovered. The SEA, by the nature of its response, intends to use funds thus made available to provide additional services to children participating in the program. The SEA did not respond to the recommendation related to determining the extent of excess retirement payments on projects not corrected by our examination. (see page 10).

*OE intends
to seek recovery*

We found that the SEA was substantially in compliance with federal requirements for auditing expenditures under Title VI, Part B of the program. With regard to Title I projects, however, we noted that during the period July 1, 1972 through June 30, 1975, \$3.2 million, or 92.5 percent of total expenditures may not have been audited in accord with pertinent regulations. In this regard, we found that most federally-supported projects in State-operated and/or supported institutions were included within the scope of audits made by the State Auditors of Public Accounts. The SEA, however, was not aware of the results of these audits, and did not know if such audits were in sufficient depth to comply with Federal criteria applicable to audits of federally-supported programs. In response to our recommendations, the SEA has agreed to take action necessary to insure full compliance with applicable Federal criteria. (See page 12).

The matters relative to retirement costs and auditing of project funds, together with SEA reactions to each matter, are discussed in more detail under the Findings and Recommendations section of this report.

NEW AUDIT OF CALIFORNIA

California

Background

Title I of the Elementary and Secondary Education Act of 1965, (P.L. 89-10), as amended, provides funds to local educational agencies (LEAs) to be used to provide educational programs to meet the most pressing educational needs of educationally disadvantaged children. The act was broadened by PL 89-313 to allow a state agency directly responsible for providing free public education for handicapped children² to request Title I funds.

The State's Title I program is administered by the State Department of Education (SDE) through the Division of Compensatory Education. During the period covered by our audit, SDE made awards of Title I funds to each of the following participants: Diagnostic School for Neurologically Handicapped Children, Northern California, Diagnostic School for Neurologically Handicapped Children, Southern California, California School for the Deaf, Berkeley, California School for the Blind, Berkeley, California School for the Deaf, Riverside, and the State Department of Health (DH). DH acts as a local educational agency and administers the educational program in each of its 11 State operated institutions. Title I funds approved by SDE for Title I handicapped activities for fiscal years 1972 through 1974 totaled about \$5.4 million and expenditures for the same period totaled \$5.2 million. For fiscal year 1975, the Title I funds authorized were approximately \$2.2 million. Since the State agencies administering the Title I handicapped program had not filed their final expenditure reports at the time of our review, we could not determine the final expenditures for fiscal year 1975.

Scope of Audit

We have reviewed SDE's administration of approved projects under the Title I handicapped program for the FYs ended June 30, 1972, 1973, 1974, and 1975, as well as SDE's current administrative practices. The purposes of our review were to determine whether the costs claimed were acceptable under Federal regulations and whether the projects had been conducted in accordance with Federal criteria. This includes Public Law 89-10 as amended and Office of

Education Regulations as promulgated in Title 45 of the Code of Federal Regulations, State guidelines, project applications, and assurances provided by the State in the project applications.

We are making a separate review of whether or not funds were used in a supplemental manner at the SDE special schools. The results will be treated in a separate report.

During our audit we noted that the State of California was providing less funding for the education of handicapped children residing in the Department of Health institutions than it was for the education of handicapped children attending the SDE special schools and LEAs. We have requested a legal opinion from the HEN office of General Counsel as to whether the public law and implementing regulations require that a state provide minimum or comparable levels of funding for the education of handicapped children residing in state institutions in order to be entitled to receive ESEA Title I funds.

The audit field work was performed at SDE's offices in Sacramento, California and project sites at Pacific State Hospital, Pomona, Fairview State Hospital, Costa Mesa, Camarillo State Hospital, Camarillo, Stockton State Hospital, Stockton, California School for the Deaf, Riverside, Diagnostic School for Neurologically Handicapped Children, Southern California, at Los Angeles, California School for the Deaf, Berkeley, and the California School for the Blind, Berkeley. Our review was conducted in accordance with standards for governmental auditing.

HIGHLIGHTS OF AUDIT RESULTS

Our review disclosed several areas in which improvements could be made in the implementation and management of the program. Our findings and recommendations are summarized below and presented in more detail in the FINDINGS AND RECOMMENDATIONS section of the report.

Project Monitoring

SDE needed to more closely monitor the implementation of the projects by the State operated facilities. Many of the administrative problems that were disclosed during our audit site visits might have been identified earlier and corrected by proper monitoring (see pages 6 to 8).

State Level Administrative Functions

Funds made available for the local projects were used for state level administration, an activity for which the use of local funds is not allowable. We are recommending that SDE reduce its claim by \$33,647 for these unallowable costs and make an appropriate refund to OE (see pages 9 to 16).

Audits of State Administered Projects

The required audits of State operated Title I projects had not been performed to assure that the project expenditures were allowable and were related to program objectives (see pages 17 to 20).

Equipment Controls

The special schools operated by SDE did not implement SDE's guidelines for equipment controls. As a result, the schools were unable to determine that items of equipment purchased with Title I funds were being used for the purposes intended under the grant (see pages 21 to 25).

SDE generally agreed with our recommendations except for refunding \$33,647 to OE. SDE's comments and the auditor's comments are presented at the end of each finding. In addition, SDE's responses as they relate to this report are included in their entirety as APPENDIX A.

NEW AUDIT OF ALABAMA

BACKGROUND

Alabama

Federal legislation designed to enhance educational programs and services to handicapped children is contained primarily in two Acts passed by Congress. These two Acts are the Elementary and Secondary Education Act of 1965, Public Law 89-10, as amended by Public Law 89-313 and the Education of the Handicapped Act, Public Law 91-230, as amended by Public Law 93-380.

Title I of the Elementary and Secondary Education Act (ESEA, Title I) and Title VI, Part B of the Education of the Handicapped Act (EHA, Title VI, B) provide grants to States for the education of handicapped children. ESEA Title I differs from EHA, Title VI, B in that ESEA Title I provides grants to State Agencies "directly responsible for providing free public education" to handicapped children in State-operated or State-supported schools, whereas EHA, Title VI, B provides grants to State Educational Agencies (SEAs) for educational services to handicapped children in public and non-public schools through local educational agencies (LEAs). There are no State or local matching fund requirements under either the ESEA Title I or the EHA VI, B program.

GENERAL AUDIT OBJECTIVES AND SCOPE OF SURVEY

The objectives of our audit were to:

1. Evaluate the State Education Agency's (SEA) compliance with the approved State plan for the Education of the Handicapped.
2. Determine whether the policies, plans and procedures of the SEA and LEAs were adequate to administer the program and were being adhered to.
3. Determine the reliability of financial records and reports, and determine the reliability of the Average Daily Attendance data used by the SEA to support the grants awarded under ESEA Title I.

Our review was for the fiscal years ending June 30, 1974 and June 30, 1975 and concentrated on determining and evaluating the SEA's and LEA's procedures for (1) identifying and locating children with handicapping conditions (mental and/or physical); (2) determining the extent of the handicapped individual's needs and ranking the needs in priority order; (3) designing and implementing services which were in line with the needs; and (4) evaluating services implemented during and after delivery. Included in our review was a determination of the reliability of financial

records and reports and a review of data used in reporting Average Daily Attendance (ADA). In addition, we completed a comprehensive survey of the SEA's and LEA's procedures for administering the State plan for the Education of the Handicapped in Alabama. Our survey included on-site visits to selected LEAs and State-operated institutions.

RESULTS OF SURVEY

Our limited survey of the Education for Handicapped Children program initially involved the requirements outlined in the State plan approved by the Office of Education. The State plan as approved encompassed the requirements of the ESEA Title I program and the EHA Title VI-B program without regard to the changes caused by the enactment of the Education Amendments of 1974, Public Law 93-380. Public Law 93-380 enlarged the scope of the Education for the Handicapped program and required that changes be made in the State plan. Accordingly, we curtailed our review of the administration of the program because the SEA has not had enough time to implement the changes required by Public Law 93-380. However, the results of our survey did show that the SEA was not adhering to the approved State plan for determining the handicapped children who would receive services.

Our review showed that the SEA needed to improve the procedures for determining the priorities for providing education to the different categories of handicapped children.

Section 2.22 of the State plan in effect at the time of our review required that priorities be established. Our analysis of selected project applications for the school year 1974-75 showed that some projects were not related to the greatest need identified. We scheduled and analyzed statistics relating to the number of identified handicapped children (by type of handicapping condition), within each city and county school system, who were not receiving services. The results of this analysis showed, for example, that:

- County "A" identified 445 children who were Educatable - Mentally Retarded and 275 who were Speech Impaired. Yet, the approved project for this county was designed and implemented to serve children who had learning disabilities even though only 82 children had been identified as having this condition. Thus, the 778 children in the other two categories were not included in an approved project.
- City "B" identified 62 children who were Educatable - Mentally Retarded; 76 who were Emotionally Disturbed and 161 with Learning Disabilities. The approved project for this city was designed and implemented to serve children who were Trainable - Mentally Retarded even though only 14 had been identified with this handicapping condition. The 299 children in the other three categories were not included in an approved project.
- City "C" identified 117 children who were Educatable - Mentally Retarded and 60 who were Emotionally Disturbed. This city's approved project was designed and implemented to serve children with Learning Disabilities even though only 51 had been identified with this condition. Thus, 177 children in the other two categories were not included in an approved project.

SEA officials stated that handicapped children who are not receiving an education would be those with severe handicapping conditions. SEA officials cited several factors that influenced the children that would be served. Some of these factors cited were (1) the merit of the project; (2) the budget; (3) available space; (4) personnel at the SEA - both number and skills available; and (5) would the project be realistic? However, the SEA did not have any written criteria for determining which handicapping condition would receive priority in planning and approving a project.

Although under the approved State plan, services to handicapped individuals should have been provided in a priority order, Public Law 93-880, enacted August 21, 1974 and subsequent to the approval of the State plan cited above, now provides that services will be provided to all handicapped individuals. This provision was added as an amendment to Section 611(a) of the Education of the Handicapped Act. Section 611(a) now reads:

"The Commissioner is authorized to make grants pursuant to the provisions of this subchapter for the purpose of assisting the States in the initiation, expansion, and improvement of programs and projects for the education of handicapped children at preschool, elementary school, and secondary school levels in order to provide full educational opportunity to all handicapped children." (words underlined were added by the 1974 amendment)

The Legislative History accompanying the Education Amendments of 1974 sets out both the House Report and the Conference Report. House Report No. 93-805, dated February 21, 1974; Conference Report No. 93-1026 dated July 22, 1974) with respect to requiring that the State plan be amended to provide education for all handicapped children. The intent of the amendment cited above is spelled out in the Conference Report under the heading "Additional State plan requirements" and is quoted:

"The House bill requires that a State receiving assistance under Part B of the Education of the Handicapped Act submit to the Commissioner through its State educational agency an amendment to its State plan which will set forth policies and procedures to insure the education of all handicapped children, and to insure that all handicapped children in the State in need of special education are identified and evaluated, that a detailed timetable for providing full educational opportunity for all handicapped children is established, and that such amendment in the State plan will be available to parents and members of the general public."

In addition to enlarging the scope of the Education for the Handicapped Program, The Education Amendments of 1974, have affected another major area of the program. This area is a revision of the resource allocation plan. Under the revised resource allocation plan all Federal funds for the education of the handicapped under the various acts which go directly to the States or which require State approval are intended to be included in the resource allocation plan. The intention is especially stated in House Report number 93-805 and is quoted:

"It is also the Committee's intent that all federal funds for the education of handicapped under the various federal acts which go directly to the states or which require state approval should be included in the resource allocation plan and that after the approval of the total amendment to the state plan that such funds can only be used for the purposes set forth in the plan unless the state requests and obtains an exemption from the Commissioner."

In our opinion, the revision of the resource allocation plan should involve more planning and coordination between the SEA and other state agencies (i.e., Mental Health, Vocational Rehabilitation, Vocational Education, Crippled Children's Services, etc.)

In our opinion, the SEA has not had enough time to implement all changes required by P. L. 93-380. The SEA, however, amended their FY 1975 State Plan effective March 6, 1975. The State Plan amendment included a goal of providing full educational opportunities to all handicapped children with priority given to handicapped children who are not receiving an education. In order to carry out this provision, the SEA has established a state-wide identification system - entitled "Child Find." Periodic announcements are made on all major television channels throughout the State requesting information on children with handicapping conditions. A toll-free telephone system has been installed at the SEA in order to receive this information. SEA officials stated that other changes necessary to fully comply with P. L. 93-380 will be written into the FY 1976 State Plan presently being drafted.

In summary, although our survey showed that under the State plan approved prior to Public Law 93-380, the SEA needed to improve procedures for determining priorities of handicapping conditions, the recommendation we normally would make to correct this condition is effectively contained in the requirements of Public Law 93-380. If these requirements are implemented, the need for establishing priorities no longer exists.

In response to our draft survey report, the Alabama State Superintendent of Education stated that:

"We intend to comply with the need for more concern and consistent effort in serving all exceptionalities and the establishment of more appropriate means of determining funding priorities." (See the full text attached)

NEW AUDIT OF IDAHO

INTRODUCTION

Idaho

The NEW Audit Agency has made an audit of the administration of educational projects for handicapped children at State-operated schools under Title I of the Elementary and Secondary Education Act (ESEA Title I). The ESEA Title I program was administered by the Idaho Department of Education (State Educational Agency). The purpose of our audit was to determine whether program administration by the State Educational Agency (SEA) resulted in expanded and improved special educational and related services to handicapped children. The audit covered the period September 1, 1968 through June 30, 1974.

Our audit was made in accordance with the Standards for Audits of Governmental Organizations, Programs, Activities and Functions, and included such tests and auditing procedures as we considered necessary in the circumstances.

Our review included an examination of project records maintained by the SEA. In addition, reviews were conducted at the Idaho State School for the Deaf and Blind, Coeur d'Alene, Idaho, and the Idaho State School and Hospital, Nampa, Idaho. These were the only State-operated schools in Idaho providing special educational services to handicapped children.

Our audit effort was concentrated on the effectiveness of ESEA Title I projects in meeting the most pressing educational needs of the handicapped children and included reviews of project evaluation, average daily attendance data, and financial and administrative controls.

BACKGROUND

ESEA Title I authorizes Federal financial support for the purpose of providing special educational services to handicapped children. Grants are provided to SEAs directly responsible for providing free education to handicapped children in State-operated or State-supported schools. Federal legislation defines handicapped children as those who are mentally retarded, hard of hearing, deaf, speech impaired, visually handicapped, seriously emotionally disturbed, crippled or other health-impaired.

children who because of their handicaps require special educational and related services.

Total Federal funds approved by the Idaho Department of Education for ESEA Title I projects provided by the two State-operated schools during fiscal years 1969 through 1973 amounted to \$605,296. Total expenditures for the period amounted to \$593,349. Details of the total approved and expended ESEA Title I funds, by school, are shown in Exhibit A.

HIGHLIGHTS OF AUDIT RESULTS

Our audit showed that the SEA could further expand and improve ESEA Title I educational projects for eligible handicapped children. The initiation of certain improvements in project administration and operations at both the SEA and the State-operated schools could contribute more toward satisfying the special educational needs of educationally deprived handicapped children. The audit identified the following specific problem areas requiring increased and intensified attention by the SEA.

The effectiveness of ESEA Title I projects for handicapped children designed by State-operated schools and approved by the SEA could not be evaluated. As a result, the SEA did not know whether the projects were meeting the educational needs of handicapped children. Federal regulations require that ESEA Title I project applications describe the procedures to be utilized in the evaluation of program effectiveness. Such procedures should provide standards or norms which can be used to perform such evaluations. Projects could not be evaluated because project objectives were vague and project applications did not always include procedures to be utilized in the evaluation process. We recommended that the SEA (i) require State-operated schools to clearly and realistically state project objectives in terms of the types of changes that are sought in the educational achievement of handicapped children as a result of the project, (ii) require State-operated schools to include in their project applications a description of the

methods and procedures to be used to evaluate the effectiveness of each project, (iii) disapprove project applications which do not clearly define project objectives or provide procedures which can be used to evaluate the effectiveness of the project, and (iv) require the State-operated schools to assess and report the impact of direct instructional services on the educational achievement of handicapped children. State officials concurred with our recommendations. (Page 7)

Attendance data used to determine the annual allocation of Federal funds to ESEA Title I projects for handicapped children was overstated for the Idaho State School for the Deaf and Blind (ISSDB). As a result, Federal funds received for fiscal year 1974 exceeded the allowable allocation by \$3,051. In addition, attendance data to be used to determine the fiscal year 1975 allocation of Federal funds was overstated and, if used, could result in an over allocation of Federal funds of at least \$4,862. This occurred because attendance data used was

based on enrollment rather than the actual daily attendance of handicapped children and the SEA had not established procedures for the review and verification of attendance data submitted by State-operated schools for handicapped children. We recommended that the SEA (i) refund to the Federal government the \$3,051 received in excess of the allowable Federal allocation for fiscal year 1974, (ii) request the ISSDB to prepare a corrected attendance report for fiscal year 1975 using actual daily attendance data, and (iii) establish procedures for the review of attendance reports received from State-operated schools. State officials concurred with the findings; however, they suggested that the amount of overpayment be subtracted from the allocation of funds for fiscal year 1975 rather than a refund of the \$3,051. (Page 12)

Audits of State-operated schools did not provide sufficient audit coverage of ESEA Title I projects for handicapped children. As a result, the SEA did not have audit reports necessary to substantiate expenditures of ESEA Title I funds administered by State-operated schools. This occurred because the SEA had not provided the Idaho

Legislative Auditor with required Federal standards for audits of Title I projects and requested that such audits be performed. We recommended that the SEA (i) provide the Idaho Legislative Auditor with the required Federal standards for audits of ESEA Title I projects and request that such audits be performed, and (ii) reconcile annual ESEA Title I project expenditures reported by State-operated schools to expenditures certified by the Legislative Auditor to substantiate reported expenditures. State officials concurred with our recommendations and stated that corrective action will be initiated. (Page 17)

These conditions are discussed in more detail in the Findings and Recommendations section of this report.

STATUS OF PRIOR RECOMMENDATIONS

This audit represents the first review by the HEN Audit Agency of ESEA Title I educational projects for handicapped children administered by the State of Idaho. Accordingly, there were no prior recommendations.

HEW AUDIT OF MICHIGAN

DISCUSSION

Michigan

ESEA, Title I - Handicapped. Title I of the ESFA, as amended by PL 89-313, provides grants to State Agencies directly responsible for providing free education to handicapped children in State operated schools. The Title I funds were allocated to State Institutions operated by the Michigan Department of Mental Health (MDMH). The Act also provides grants to State Agencies for operation of area day care training center programs, to meet the special educational needs of handicapped children. The programs are administered either directly by the State Agency or through LEAs.

EHA, Title VI - Part B. Title VI - Part B of the Education of the Handicapped Act, PL 91-230, provides funds to State Agencies for grants to LEAs for the initiation, expansion or improvement of services to handicapped children located in these schools. Prior to September 1, 1970, these grants were provided under ESEA Title VI-A, as amended, (PL 89-750). The approved priorities for the utilization of the Part B, EHA funds in fiscal year 1974 were the establishment of regional diagnostic centers and regional media centers for the handicapped.

State Agency's Responsibilities. The State Agency's major responsibilities in directing both programs are to (i) review and approve State Institution and LEA projects; (ii) sub-allot grant funds to the State Institutions and LEAs; (iii) maintain fiscal records to account for the funds; (iv) provide program management and supervision; and (v) submit required fiscal and project reports to the U. S. Office of Education (OE).

Grant Funds. During the period of our audit, the State Agency received grant awards from the Federal government, totaling approximately \$24.8 million, as follows:

Act	Title	Period	Amount (Millions)
ESEA	I	7/1/69 - 6/30/74	\$16.8
ESEA	VI-A	9/1/69 - 8/31/70	1.3
EHA	VI - Part B	9/1/70 - 6/30/74	6.7
			<u>\$24.8</u>

SCOPE OF AUDIT

The examination was performed for the purpose of determining the adequacy of the administration and controls exercised over the expenditure of the Federal funds. It was made on a selective basis in a manner and to the extent considered necessary in the circumstances and in accordance with standards for Government auditing, giving due regard to applicable laws and regulations. The audit included program operations during the period September 1, 1969 to January 30, 1974. Our audit was conducted at the State Agency and the following State Institutions and LEAs in Michigan:

Oakdale Center for Developmental Disabilities, Lapeer

Plymouth Center for Human Development, Northville

Oakland Schools (Day Training Center for the Severely Mentally Impaired), Pontiac

Detroit Public Schools, Detroit

Kalamazoo Valley Intermediate School District, Kalamazoo

Lakeview Public Schools, St. Clair Shores

HIGHLIGHTS OF AUDIT RESULTS

Our examination disclosed a need for improvement in the management procedures and controls exercised over the administration of the ESEA, Title I and EHA, Title VI - Part B handicapped activities at the State Agency as well as at the LEAs and State Institutions. We found that the State Institutions were not complying with procedures regarding the reporting of average daily attendance (ADA) of handicapped children in educational programs and that they were not maintaining records in support of their determinations of the ADAs. As a result, there is no assurance that ADA information submitted by the State Agency to the OE and on which the State Agency based its allocation of funds under PL 89-313 is accurate and complete.

We have recommended that the State Agency establish required controls and provide needed assistance to the institutions to insure that the ADA statistics are properly computed and the computations supported by adequate documentation. (Pages 7 - 8)

We noted that, contrary to the provisions of the Act, Federal funds were used to supplant State funds. We attribute this condition, in part, to a breakdown of financial management practices at the State Agency to insure that adequate budgetary controls are maintained for the proper accounting of all sources of funding, especially with respect to the Part B LEAs. For example, although the Federal and State financial aid (SFA) budgets are set up separately in the LEA accounting records, some of the LEAs charge the total expenditures for a line item against the Federal budget and none to the SFA budgeted funds. This results in significant overcharges to the Federal portion of the budget.

We have recommended that the State Agency review LEA expenditure reports to determine whether, in expending funds under the program, they used SFA funds properly and did not use the Federal share of funds to supplant those available under the SFA. We have further recommended that adjustments be made for the amounts of Federal funds determined to have supplanted the SFA and other State and local funds and that the LEAs be reminded of the provision in the regulations against supplanting.

With respect to charging expenditures against proper budgeted line items, we have recommended that the State Agency instruct the LEAs to observe the requirements for charging the appropriate funds and that the State Agency periodically examine records to determine whether the LEAs are complying with this requirement. (Pages 9 - 13)

We noted a need for improved administrative and financial procedures, direction, supervision and controls with respect to the following:

The State Agency's policies regarding the withdrawal of funds under the letter-of-credit funding is not predicated on a system of fiscal control which insures that the amounts withdrawn are commensurate with actual cash needs. For example, the State Agency withdrew \$1,373,670 in May 1973. The money was to be distributed to the State Institutions for financing the cost of their 1973 fiscal year operations. However, the amount withdrawn was not based on expenditure reports or other cost records on file. The State Agency has an established system whereby PL 89-313 and Part B Projects are to report disbursements and cash needs monthly, however, the Projects are not conforming to this system; nor is compliance enforced by the State Agency.

We have recommended that the State Agency instruct the State Institutions to request cash needed to meet current obligations and to document their requests. (Pages 14 - 15)

Improvement is needed in State Agency procedures to assure that the LEAs and institutions submit their annual expenditure reports on the due dates. We noted, also, that the annual financial report, for the ESEA, Title I, program, the State Agency is required to submit by December 31 of each year, was not received by the OE until several months after the due date.

We attribute the condition to a failure on the part of the State Agency to follow-up on reports that are not received when due.

We have recommended that the State Agency take appropriate action to (i) control the receipt of reports from the institutions; (ii) follow-up on those not received when due; (iii) provide assistance needed by the institutions to prepare their reports; and (iv) submit its report to the OE on time. (Pages 16 - 17)

The annual reports, OE Form 9025, submitted by the institutions to the State Agency, do not contain complete, accurate and meaningful information. We noted that, in some instances, the reported expenditures consisted of amounts budgeted rather than costs incurred and that other reports showed figures that did not agree with the accounting records. In one case, the reported expenditures exceeded the recorded costs by a significant amount. We noted, further, that the evaluative data contained in these reports did not conform to the reporting requirements set forth in the instructions for completing OE Form 9025.

The importance of submitting accurate and meaningful reports becomes more apparent when it is considered that, after review by the State Agency, the reports are forwarded to the OE for use in evaluating the program in terms of past accomplishments and as a tool of management for future programming.

We have recommended that the State Agency assure itself of the accuracy of the data reported by the institutions in OE Form 9025 and provide them with the guidance they may need in understanding the reporting requirements. (Pages 18 - 20)

With respect to the need for auditing LEAs, we noted the State Agency has not complied with the requirements of EHA, Title VI - Part B. Our review of audit reports on LEAs showed they were of limited value to the State Agency.

We have recommended that the State Agency take appropriate steps to insure audit reports covering LEA activities contain meaningful data that can be reconciled to the books and records and identified with the program under which the funds were disbursed. (Page 21)

State Agency instructions require that reallocated grant awards from current year funds, made available for the liquidation of expenditures incurred in the succeeding fiscal year, be accounted for and reported separately from the succeeding year regular grant award. We noted instances where carryover and regular grant awards were commingled and, as a result, were not accounted for and reported on separately.

We have recommended that the State Agency instruct the LEAs to account for the reallocated funds separately from those received for financing the cost of activities under current awards. (Page 22)

The controls exercised over equipment purchased with Federal funds need to be improved. Visits to LEAs disclosed that (i) not all items are recorded on inventory records; (ii) physical inventories were not taken; (iii) items stolen or lost were not reported to management and the records were not adjusted for them; and (iv) proceeds from sale of equipment items were not credited to the programs.

We have recommended that the State Agency instruct the institutions to establish and maintain adequate inventory records; take physical inventories periodically; adjust the records for items stolen or lost (after justifying the write-off to the satisfaction of the State Agency); and credit the program for the proceeds from sales of equipment purchased with program funds. (Pages 23 - 24)

ESEA, Title I, funds were used to make a lump sum payment of \$5,275 to an individual who was retired under the State of Michigan Civil Service system prior to his employment under the project.

We are recommending a financial adjustment in that amount. (Page 25)

Details of our findings and recommendations are presented in the Findings and Recommendations section of the report.

The results of audit were discussed with representatives of the State Agency on April 28, 1975. They stated they preferred to withhold official comment on the report pending receipt of the final report. At that time, they will submit their written comments to the Office of Education. They generally agreed that the findings presented in the report are factual and they would review and initiate action with respect to our recommendations.

OTHER MATTERS

The two priorities of the EHA Title VI - Part B program in fiscal year 1974 were to establish, for the handicapped children, regional diagnostic centers (priority No. 1) and regional media centers (priority No. 2). With the implementation of State of Michigan Public Act 198 (Mandatory Special Education) in September 1973, school districts were mandated to serve all of their handicapped children with either a basic classroom program or a supportive service. As a result, it was determined that Federal funds were no longer needed to provide for basic educational programs. Therefore, Federal funds were to be utilized to support the two special auxiliary services.

We visited the Regional Educational Assessment Center for the Handicapped (REACH), administered by the Kalamazoo Valley Intermediate School District, Kalamazoo, Michigan, to determine the State Agency's compliance with priority No. 1, namely, the establishment of a regional diagnostic center.

According to REACH's proposal, its primary purpose was to provide specialized diagnostic services for low incidence severely handicapped or multiple handicapped children from birth to 25 years of age, who cannot be adequately evaluated at the local level. The proposal further stated the REACH would be fully operational no later than September 5, 1973 and would serve between 75 and 100 children annually.

Our examination, on February 27, 1974, disclosed that, during the first eight months of its existence, REACH was basically engaged in activities related to organization and that it provided only one week's services to seven children. We were advised that program activities included establishing the REACH to meet its needs and public relations work with the constituent school districts. On the date of our examination, REACH had an available balance of approximately \$90,000 out of \$131,700 that it budgeted for 1974, (\$101,118 represents Federal funds).

The foregoing information is provided for appropriate State Agency consideration and follow-up action. In our opinion, prompt and effective guidance and direction by the State Agency is needed to assure that the priorities established under the EHA, Title VI - Part B, projects are effectively carried out in connection with the special education services to handicapped children. Our conclusion is predicated on the status of the project, namely, it was to be fully operational at the inception of the school year but was still in its "organizational" phase about six months later. We believe State Agency leadership is needed to assess the REACH activities and/or provide the assistance necessary to accomplish the objectives of the program. Moreover, our examination of the State Agency disclosed no documentation or other evidential material on file to indicate that any initial or timely supervisory action had been taken to determine the status of the REACH project as of February 1974.

HEN AUDIT OF NEW JERSEY

Background

State of New Jersey

Under P.L. 89-313 dated November 1, 1965, Title I of the Elementary and Secondary Education Act (ESEA, P.L. 89-10) was amended to provide grants to the State to improve educational programs for handicapped children.

Only State agencies which are directly responsible for providing free public education for one or more types of handicapped children (as specified in the law) in schools operated or supported by the State, are eligible to receive allocations and to participate under P.L. 89-313. Also included are schools that are under contract or have other arrangements with a State agency to provide special education for handicapped children.

The New Jersey State Department of Education (SEA) is funded to handle the operation of the P.L. 89-313 program. Although the SEA has primary responsibility for this activity, it allocates a portion of the Federal funds to other State agencies which have educational responsibilities as mandated by State law. Therefore, the following State agencies are involved in the operation of the program:

- 1- State Department of Education
- 2- Department of Institutions and Agencies
- 3- Department of Labor and Industry

The State Department of Education consists of four P.L. 89-313 program components:

- 1- Newark State College
- 2- Jersey City State College
- 3- School for the Deaf
- 4- Glassboro State College

Under the Department of Institutions and Agencies the Federal program is administered by the Garden State School District which encompasses all State-operated institutions and agencies. Within the school district there are five divisions which cover welfare, youth and family services, mental retardation, mental health and community and professional services. These divisions control 21 handicapped children programs which includes hospitals, schools, training centers and family service centers (see Appendix A).

The Department of Labor and Industry administers the P.L. 89-313 program through seven regional district offices of the Division of Vocational Rehabilitation. The district offices, which serve the 21 counties in New Jersey, are located in the following cities:

1. Newark
2. Paterson
3. Hackensack
4. New Brunswick
5. Trenton
6. Camden
7. Atlantic City

Scope of Audit

Our review was made at the three State agencies located in Trenton, New Jersey and at various State operated institutions, bureaus and agencies located throughout the State.

Our audit of the handicapped children program was made in accordance with standards for governmental auditing. The purpose of the audit was to evaluate the policies and procedures of the State in implementing the P.L. 89-313 program; to determine the adequacy of program administration, the efficiency of controls over funds provided, and the reasonableness of amounts expended. The audit covered the fiscal years 1967 through 1974, during which time funds allocated to the New Jersey State Department of Education aggregated \$13,472,155.

HIGHLIGHTS OF AUDIT RESULTS

Our review of the SEA's administration of the P.L. 89-313 program disclosed certain areas in which management improvements could be made to help assure that the objectives of the program are being achieved. The areas involved (1) program monitoring and evaluation, (2) average daily attendance reports, and (3) use of P.L. 89-313 program funds for the general operating costs of the institutions and agencies.

The SEA had conducted very limited on-site monitoring reviews of the handicapped children program during fiscal year 1974 because it had not formulated procedures to effectively monitor the institutions and agencies receiving Federal funds. As required by Federal regulations, monitoring reviews are necessary in order for the State to assure itself that its facilities are achieving program objectives and are resolving program deficiencies. Our review disclosed that the extent of SEA's monitoring effort of the handicapped children program had not been documented and was limited solely to observation and discussion of project activities and an occasional check of the use of program equipment. Consequently, there was no assurance that monitoring reviews were conducted in a consistent manner to ensure uniform reporting and evaluation. In addition, the evaluation reports that were submitted by the institutions and agencies during fiscal year 1974, did not in many instances provide sufficient information as to the quality or degree of success of the programs and projects. The data that was furnished dealt mainly with statistics, but information pertinent to program results was found to be lacking. We attributed the shortcomings found in the evaluation process to the fact that the SEA had not stressed the evaluation criteria promulgated under P.L. 89-313. Without meaningful evaluation results, the SEA cannot determine whether the handicapped children program effectively met

project objectives. We are recommending that the SEA (1) develop a monitoring review guide, (2) prepare written reports of monitoring visits in order to document what had transpired and (3) require the institutions and agencies to submit written evaluation reports that are in line with the criteria advocated in the Federal regulations. (See pages 6 to 14.)

The average daily attendance (ADA) of handicapped children for a given school, which is used as a basis for determining the amount of State agency allocation was not computed in accordance with the requirements as stated in the Federal regulations. Our review of selected ADA reports of two of the three State agencies disclosed that the ADA count as reported had been significantly overstated. The overstatement was due largely to the inclusion of (1) ineligible participants (2) incomplete information and (3) erroneous student counts. Although the overstated ADA reports inflated the Federal contribution to the handicapped children program, SEA officials believed they were not responsible for the accuracy of the ADA counts. They felt that sufficient instructions had been furnished by the SEA to institution officials who were expected to prepare accurate ADA reports. We could not, however, compute the amount of the over-allocation because of the lack of documentation and the arbitrary methods that had been used by the facilities to compute the ADA count. We are recommending that the SEA (1) establish policies and procedures to insure proper computation of the ADA, (2) review the ADA reports submitted by the facilities, (3) determine whether the methods used by the facilities not included in our review to compute the ADA were in compliance with the Federal criteria, and (4) resolve with OE the amount of the over-allocation that resulted due to the incorrect ADA counts. (See pages 15 to 21.)

P.L. 89-313 program funds were used to supplant rather than supplement State funds. Our review of four selected facilities disclosed that the handicapped children program had been charged with expenditures of approximately \$92,000 during the fiscal years 1972, 1973 and 1974, that had benefited the overall State operations rather than approved Federal projects. Although Federal regulations allow the use of Federal funds for a wide variety of activities, we found that the costs in question bore no relationship to approved projects. The SEA officials at the institutions and agencies, however, did not agree and stated that because of the handicapped condition of all of their students they considered P.L. 89-313 program funds an extension of State funds to be used as needed. Nevertheless, we believe that Federal money was used for expenditures that did not adhere to an approved project design because (1) State officials were not sufficiently knowledgeable of the handicapped children program requirements, (2) inaccurate financial reports had been submitted to the SEA by its facilities, and (3) P.L. 89-313 program expenditures had never been audited. We, therefore, are recommending that the SEA (1) resolve with OE the propriety of the SEA and

charged to the handicapped children program, (2) review the financial reports that are submitted by the institutions and agencies, and (3) ensure that periodic audits are performed of its facilities that receive Federal funds. (See pages to 29 .)

Our findings and recommendations are discussed more fully in the Findings and Recommendations section of this report.

SEA officials generally concurred with our findings and advised us that correction has been implemented on all recommendations except those involving the overstated ADA counts and the improperly charged costs. The SEA officials plan to resolve both issues with the OE Headquarters office (see pages 39 to 42).

NEW AUDIT OF WASHINGTON

Background

Washington

Title I of the Elementary and Secondary Education Act as amended by Public Law 89-313 (Title I handicapped) and Title VI Part B, Education of the Handicapped Act (Part B) are Federal programs designed to initiate, expand, and improve special educational services to handicapped children. Handicapped children include mentally retarded, hard of hearing, deaf, speech-impaired, visually handicapped, seriously emotionally disturbed, crippled, or other health-impaired children who by reason thereof require special education.

These project-oriented, child-centered programs are funded to provide support activities which are in addition to basic types of programs provided by State or other monies. Title I handicapped funds are awarded to State agencies (SA) that provide educational services to handicapped children in State-operated and State-supported schools. Part B funds are available to State educational agencies (SEAs) and, through them to local educational agencies (LEAs) for services to handicapped children in local public schools.

The Office of the Superintendent of Public Instruction (OSPI) is ultimately responsible for both Title I handicapped and Part B programs in the State of Washington. However, the Title I handicapped program is jointly administered by OSPI and the Department of Social and Health Services (DSHS). OSPI monitors projects at 10 State institutions while DSHS monitors projects at 27 developmental or day care centers, Part B funds projects at 3 colleges, 8 intermediate school districts, and 41 LEAs.

Total Federal funds awarded to OSPI for fiscal years 1974 and 1975 totaled \$2,848,217 for Title I handicapped programs and \$2,369,191 for Part B. Total expenditures for that period were \$1,363,061 and \$869,115 respectively.

Scope of Audit

Our audit was made in accordance with standards for governmental auditing. We limited our efforts to an assessment of selected compliance requirements. We did not include a review of economy and efficiency of operations, financial requirements, or program effectiveness. The purposes of the

audit were to determine whether (i) average daily attendance counts for determining maximum grants under PL 89-313 were accurate, (ii) program funds were used to supplement rather than supplant State and local monies, and (iii) program evaluation procedures were adequate.

The audit covered the period July 1, 1975, through June 30, 1975. However, we also reviewed projects funded in fiscal year 1976 in order to evaluate current operations. Audit work was performed during the period December 18, 1975, through February 8, 1976, at the Office of the Superintendent of Public Instruction, Olympia, Washington. Selected site visits were also made to the following facilities in the State of Washington:

Institutions

Rainier School
School for the Blind
School for the Deaf
Lakeland Village School
Interlake School

Developmental Centers

Clark Care and Development Center, Inc.
Northwest Center for the Retarded

Local Education Agencies

Stanwood School
Olympia School District
Lake Stevens School

HIGHLIGHTS OF AUDIT RESULTS

The State of Washington has been active in providing quality educational opportunities for handicapped children. Many projects have been designed to assist handicapped children to realize their full potential and to enter the mainstream of community living when possible. The Special Education staff selected to implement these projects are skilled, creative, and enthusiastic.

Some changes were required, however, to improve the administration of the Title I handicapped and Part B programs. Attendance reports submitted to the U.S. Office of Education (OE) needed to be corrected to reflect actual average daily attendance counts. Also, improvements were needed in program management to (i) include only eligible schools in the program, (ii) prevent general purpose use of Federal funds, and (iii) provide useful evaluations of projects. Attendance reports and administrative requirements are discussed below and are presented in more detail in the FINDINGS AND RECOMMENDATIONS section of this report.

Attendance figures reported to OE were overstated causing an overallocation of Title I handicapped funds for fiscal year 1975. The overallocation of \$294,015 occurred because the figures submitted were based on enrollment rather than the required average attendance. We recommended a refund be made for excess funds received, and reported attendance be adjusted. (Page 5)

Controls over developmental centers needed to be strengthened. At least one center had been included in the program that was ineligible because the State had not paid a significant portion of the cost of educating children at the center. In addition, Title I handicapped funds were used as general support equipment and staff provided by Title I handicapped funds were available to the entire population, 81.5 percent of which were not eligible to receive benefits from the project. We recommended that revenue sources at the centers be reviewed to determine whether the funding requirements for the State were met. We also recommended that financial adjustments be made for awards to ineligible centers and that procedures be implemented to continue reviews of State funding to exclude general support programs. (Page 6)

Program evaluations were not consistently performed on an objective basis. Although the State established goals and objectives for each handicapped child enrolled in an educational program, achievement of those goals and objectives was included in the evaluation process at only 2 of the 10 facilities visited. (Page 13)

OSPI officials did not concur with our recommendations regarding attendance and developmental centers. They did concur with our recommendation that program evaluations be consistently performed.

ANNUAL AUDIT OF ILLINOIS

INTRODUCTION

State of Illinois

BACKGROUND

Title I of the Elementary and Secondary Education Act (ESEA), PL 89-10, as amended by PL 92-313, provides grants to State agencies responsible for providing free education to handicapped children in State-operated or supported schools in Illinois. The participating State agencies are the Illinois Office of Education, Department of Mental Health (DMH) and the Department of Children and Family Services (DCFS). The Title I funds allocated to these State agencies are distributed to benefit handicapped children in institutions, residential facilities, day care facilities, private schools and local educational agencies (LEAs). The Illinois Office of Education, which is the State Education Agency (SEA), has administered the PL 89-313 program since its inception on November 1, 1965.

Title VI-Part B of the Education of the Handicapped Act, (EHA) PL 91-230, provides funds to SEAs for grants to LEAs for the initiation, expansion or improvement of services to handicapped children. As a result of Illinois legislation, which since 1969 mandated public school districts to provide special education to handicapped children, emphasis has been placed on the establishment of supportive regional centers for screening and diagnosing handicapped children. Prior to September 1, 1970, grants were provided under ESEA Title VI-A as amended (PL 89-750).

The SEA's major responsibilities in directing both programs are to (i) review and approve State Institution and LEA projects, (ii) monitor approved projects, providing supervision and assistance for maximum program effectiveness, (iii) maintain fiscal records to account for the funds, and (iv) coordinate programs providing educational services for handicapped children within the State.

The amounts awarded under PL 89-313 and EHA, Title VI, (Part B) during the period from July 1, 1971 through June 30, 1975, by fiscal year, were as follows:

Fiscal Year	PL 89-313	Part B	Total
1972	\$ 3,065,190	\$ 1,274,500	\$ 4,339,690
1973	4,055,375	871,075	4,926,450
1974	5,429,238	2,277,176	7,706,414
1975	5,475,215	5,155,824	10,631,039
Total	\$18,025,018	\$9,578,575	\$27,603,593

SCOPE OF AUDIT

We reviewed selected aspects of management operations at the SEA, principally to evaluate the adequacy of the administration and controls exercised over the disbursement of the Federal funds. We also examined records at the SEA central office in Springfield, and selected project sites at Champaign, Urbana and Macomb, Illinois. The audit emphasis was on the controls and procedures in effect at the time of our review. Our field work was primarily conducted from March through July 1975. We reviewed records and practices of earlier periods to the extent considered necessary. Our audit was made in accordance with standards for Governmental auditing.

HIGHLIGHTS OF AUDIT RESULTS

Our examination disclosed a need for improvement in the management and fiscal procedures and controls exercised over the PL 92-313 and Part B handicapped activities at the SEA as well as at the LEAs and State Institutions. The comments, conclusions and recommendations are summarized in the following paragraphs and detailed in the findings and recommendations section of the report.

Fiscal Controls. The SEA has not maintained adequate control over the PL 92-313 and Part B funds received. Our examination disclosed that (i) neither the SEA nor agencies use the (a) budgeted their financial reports to the SEA in a timely manner, (ii) financial reports were often not submitted to the Office of Education, (iii) (b) were required and (iv) the SEA reported shortcomings often consisted of omissions rather than errors, (v) (c) required audit reports were not always submitted, and (d) these reports were received were not always used to verify the accuracy and completeness of data presented in financial reports received for the following periods, and (vi) funds advanced to the State agencies and LEAs in excess of amounts needed by them were not promptly returned to the SEA.

We have recommended that controls be established to ensure the timely submission of accurate financial reports; timely receipt and utilization of audit reports; and the avoidance of accumulated excess fund balances.

The SEA concurred. (Pages 5 - 8)

Administrative Costs. Administrative expenses charged to the handicapped children programs were not adequately documented. The costs of administering the PL 89-312 program are commingled with similar costs incurred under all Title I programs; they are not separately identified. Separate accounts were set up for administrative costs of the Part B program. The SEA, however, was unable to support the reasonableness of the charges made to the accounts. As a consequence, there is no assurance that the amounts charged are equitable or represent costs of services that directly benefited the handicapped children program.

We have recommended that administrative costs applicable to the handicapped children program be separately identified and adequately documented.

The SEA concurred. (Pages 9 - 11)

Project Funds Utilized for Administrative Purposes. We noted that \$71,547 in expenditures relating to administrative functions were improperly financed with Part B project funds. The expenditures claimed under four projects were made for disseminating special teacher training evaluation and regionalization study and activities conducted on a State-wide basis. Since the SEA fully expended its administrative fund allotments in the fiscal years involved, the expenditures under the projects represent excess administrative costs.

We have recommended a financial adjustment for the amount of \$71,547 and that future expenditures for administrative purposes be classified as such.

The SEA concurred in one of the four projects for \$1,805 and non-concurred in the remaining three for \$69,742. Their complete response to each of the three projects in which they also concurred and our comments are presented in the Findings and Recommendations section of the report. (Pages 12 - 16)

Documenting the Visits. Greater emphasis needs to be placed on the monitoring of PL 89-312 and Part B projects. Our review disclosed: (i) a lack of evidence that projects were visited with any regularity; (ii) lack of information as to what was covered during visits; (iii) no evidence that action was taken to correct the deficiencies cited in evaluative reports; and (iv) that funds allotted to projects designed to provide special services to a subset group of children in the mental health institutions and a visiting nurse unit, instead, to hire additional staff for the benefit of all children residing in the institutions.

We have recommended that:

1. PL 89-312 and Part B projects be visited on a systematic basis.
2. Procedures be established to ensure that should be covered during monitoring visits.
3. Results of monitoring visits be adequately documented.
4. Controls be established to ensure that action on problems noted during the visits are corrected in a timely manner.

The SEA concurred. (Pages 17 - 18)

PART VII

89-313 PROGRAM EVALUATION

EVALUATION

Since 1966 over \$804 million has been spent in order to implement the handicapped portion of P.L. 89-313. It is projected that an additional \$145 million will be spent in Fiscal Year 1979. In spite of this expenditure and the fact that it has been over 12 years since the provision first became law, there has NEVER been a single completed evaluation of the entire program by the Office of Education. Although the program is administered by the Bureau of Education for the Handicapped, the responsibility for evaluation is not the Bureau's but the Office of Education's Office of Planning, Budget and Evaluation (OPB&E).

On June 19, 1972, OPB&E contracted with the Exotech Systems, Inc to do the first complete evaluation of the 89-313 program and to evaluate over 1200 programs throughout the country. The total amount of Federal funds received by Exotech was \$318,641. On September 30, 1974, however, the Office of Education terminated the contract because of "the total failure of the firm to meet the requirements of the contract." The Office of Education found that "the contractor did not collect specific data for which it was obligated", and "the data tapes produced by the contractor had an error rate of 40%."

This report deals with the 89-313 program as it pertains to serving handicapped children. The Exotech study was thought to be a basic source of information for the report. In attempting to get copies of the study, however, it was found that no study was ever completed, that there were no data, and no report was ever filed. For the \$318,641 the government was obligated to pay to Exotech (because of the manner in which the contract was written) the net to the government is zero. To make matters worse, almost 22 months after the project was terminated, the OE contracts office was still negotiating with Exotech about this contract; on June 24, 1976 OE raised Exotech's expense rates from 60.04% for "overhead" and 15.56% for "general and administrative expenses" in FY '73 to 119% for "overhead" and 30% for "general and administrative expenses" in FY '75.

The problems of the Exotech study and the inability of the contractor to produce a document which met the needs of the Federal government are not the subject of this report. A complete history of the Exotech contract is included in this section because it gives insight into the problems the 89-313 evaluation has had and at the same time illustrates the manner in which OE contracts. It was felt that enough questions have been raised by the circumstances of the study to warrant transmission of the attached material to the General Accounting Office for their review (This was done on August 5, 1977).

The issue that is important for the Congress is the fact that 12 years after the first money was voted for this program there has never been a completed evaluation. The question one must ask is after the Exotech study failed, why wasn't another evaluation done? It would be easy to conclude that possibly individuals in OPB&E did not understand the importance of the program and therefore assigned a very low priority to it. This certainly is not the case as can be seen in Attachment 13 in a letter from John R. Tabor, Chief, Headquarters Procurement Branch to Oliver Bryk dated October 17, 1974. The attachment clearly shows that Mr. Tabor or at least the author of the work statement completely understood the importance, the problems and the policy issues pertaining to 89-313.

Dr. Robert Maroney, Director, DORDE/OP&E/USOE, stated on August 4, 1977 that his office is now "considering doing an evaluation of 89-313 once again." He indicated, however, that "it might be sometime in the spring of 1978 at the earliest before a contract could be let for the study." This means that if the new study takes three years, a final report will not be available until at least 1981. This will also mean that the program will have been operating over 16 years with an expenditure (if the law is not altered) of at least \$1.5 billion without ever having been evaluated.

- A. The following history of the Exotech study was prepared by Emmett L. Fleming, Jr. It contains the following Appendices:
1. Office of Education Memorandum re Selection of Contractor. 6/19/72
 2. Progress Report by Exotech. 1/73
 3. Office of Education Memorandum to Exotech re problems. 7/26/73
 4. Exotech letter to Office of Education re Schedule and Staffing. 8/16/73
 5. Exotech letter to Office of Education re Progress and Requesting Extension of Deadline and Additional Funds. 2/15/74
 6. OE Internal Memorandum Recommending denial of Extension and Additional Funds and Suggesting Audit Request. 3/14/74
 7. Exotech Letter to OE Requesting Extension of Deadline and Additional Funds. 6/17/74
 8. OE Internal Memorandum re Work Delays by Exotech. 9/25/74
 9. OE Telegram to Exotech Directing Work to Stop on 9/30/74 on Contract and Requesting Return of All Materials. 9/30/74
 10. Exotech letter to OE Returning Materials. 10/11/74
 11. Exotech Request for Reimbursement making Total of \$318,641. 6/24/76
 12. OE Internal Memorandum re Evaluation of Programs for the Handicapped. 5/9/77
 13. John Taber(OE) Letter to Oliver Bryk (formerly of Exotech) Requesting Evaluation of Educational Programs in State-Supported Institutions for the Handicapped with Attachment. 10/17/74
 14. Oliver Bryk Letter to Emmett Fleming re Assessment of Exotech work. 11/21/74.
 15. OE Memorandum re Termination of Study of 89-313 Program. 12/9/76
 16. OE Memorandum - Reason a Study of Title I Handicapped Program has not been initiated since September 30, 1974. (8/5/77)
- B. Statement by Dr. Robert J. Maroney dated August 5, 1977 explaining why the Office of Education did not initiate an 89-313 evaluation after the Exotech study failed.
- C. Contract papers for the Exotech study provided by Dr. Frank Cardinale, July 28, 1977.
- D. Explanation of overhead costs provided by the Office of Education, August 29, 1977.

History of the Evaluation of the Educational Programs in State-Operated and State-Supported Schools for Handicapped Children

Objectives of this Study

The Objectives of this study were as follows:

- (1) to assess the impact of Federal funds on educational services and the effects of these services on children;
- (2) to determine the effectiveness of various State administrative mechanisms;
- (3) to identify needed changes in the current allocation formula; and
- (4) to develop policy implications evolving from the study.

Contractor Selection Procedures and Award

Eight contractors responded to the request for proposals for this study. A five person government selection panel was formed with representation from the following organizations:

- (1) Office of Planning, Budgeting, and Evaluation;
- (2) Office of the Assistant Secretary for Planning and Evaluation;
- (3) National Center for Educational Statistics; and
- (4) Bureau for the Education of the Handicapped.

This panel selected Exotech Systems, Inc. (ESI) for the following reasons stated below:

- a. It was the opinion of the selection panel that senior professional time is very important in this study. Exotech Systems, Inc. had committed more time of senior professionals to this project.
- b. The selection panel felt that ESI's technical proposal was stronger than the other contractor in the competitive range for four reasons. First, ESI's discussion of the economic issues and its economic analysis model were stronger. Second, ESI presented a more sophisticated proposal for use of programmatic characteristics and programmatic changes over time as part of the evaluative design. Third, the ESI sampling was superior for the purposes of an impact evaluation. Finally, ESI demonstrated a more sophisticated understanding of the policy issues involved in this study both in terms of OE's interest and in terms of HEW's interests.
- c. ESI's cost estimate was more realistic with regards to the scope of work to be performed.

Therefore, it was the unanimous decision of the selection panel that ESI should be awarded the contract. (See Appendix 1 for details).

This contract was a cost plus fixed fee contract rather than a fixed price contract because it was impossible to specify exactly the research design, sampling procedures, and cost of this study because of the many uncontrollable variables inherent to an evaluation study of this complexity.

The contract period of performance was from June 19, 1972 to September 30, 1974 which included time extensions. The total cost of this contract including the time extensions and adjustments of the G&A and overhead was \$318,641.00.

Problems and Remedies

This contract consisted of two phases. Phase I was the formulation phase which included:

- (1) finalizing the research design;
- (2) creating the evaluation plan;
- (3) designing and creating instruments;
- (4) conducting pre-site visits; and
- (5) creating the supporting statement for the forms clearance package.

Phase I of this contract was performed by the contractor without any major problems. However, there were some minor scheduling problems on a few tasks which were performed in Phase I. Most of these delays were eliminated by the conclusion of Phase I which culminated in the creation of the final supporting statement for the forms clearance package. (See Appendix 2 for details).

Phase II of the contract was the implementation phase of the contract. It consisted of the data collection, data processing, and analyses tasks of this contract. During this phase the contractor's time schedule began to slip and the quality of the work products began to decline. These incidents coincided with the loss of senior contractor project personnel (See Appendix 3 for details and the assurances of performance requested by O.E.). The contractor responded to OE's request with a letter specifying new staff and assigned functions. (See Appendix 4).

After approximately four to five months the second project director departed the contractor's firm, and the principal investigator attempted to assume both roles with administrative support from the Company's management. These combined tasks were too much for one man and thus the contractor's performance suffered.

Concerned with the delays and performance of said contractor, project monitor orally communicated the same to the project director and to the Contracts and Grants Division of USOE. The Contracts and Grants Office contacted the president of the contracting firm about the problems and requested his firm's proposal for their solution. The contractor responded with a letter requesting additional time and money to perform the tasks of the contract. (See Appendix 5 for details). The U.S.O.E. project monitor agreed with the time necessary for completion given the tasks remaining to be performed but not the additional cost. (See Appendix 6 for details).

After this meeting the project progressed at a reasonable pace but never did get back on schedule even after several months. Concerned about the ultimate success of the evaluation study, the project monitor requested a meeting on June 14, 1974 with the Contracts and Grants officer, president of the contracting firm, project director, and project monitor's supervisor in an effort to resolve the problems which plagued this evaluation study. These discussions resulted in the contractor proposing additional senior personnel and requesting a second time extension to September 30, 1974 to complete the tasks under this evaluation contract. (See Appendix 7 for details).

The second requested extension was granted because most of the data collection had been performed by the contractor, and it would have been difficult, to almost impossible, for the U.S. Office of Education to utilize the data in the raw and unedited form in which it existed. Therefore, it was decided to allow the contractor to perform the data processing, analyses, and final report write up tasks which remained.

Yet, contractor performance did not improve during the latest extension period, and promised work products were delivered in unsatisfactory condition. These and other conditions, plus the request by the contractor for another extension prompted the project monitor to request a stop work order and termination of the contract in the best interest of the Government. (See Appendix 8 for details).

-5-

Contracts and Grants responded by sending a stop work order to the contractor on September 30, 1974 requesting specific materials to be delivered to O.E. by October 11, 1974. (See Appendix 9 for details).

The contractor complied with this request by delivering indicated products on October 11, 1974 to O.E. (See Appendix 10 for list of deliverables).

At this point in time (October 11, 1974), the relationship between the Office of Planning, Budgeting, and Evaluation and the contractor was severed. Yet, the Contracts and Grants Office of U.S.O.E. was still obligated to negotiate close out cost with the contractor. Among such items was the adjustment of the contractors FY 75 overhead rate for the three months from June 30, 1974 to September 30, 1974. (See clause 5 under General Contracting Provision entitled Negotiated overhead). Although the final invoice from the contractor is dated June 24, 1976, it represents adjustments in billing for the contract period from June 19, 1972 to September 30, 1974 not for any services rendered subsequent to the termination of the contract on September 30, 1976. (See Appendix 11 for details). The Contracts and Grants Office should be able to answer any further questions you might have in regard to this payment.

Attempted Completion of the Evaluation of Educational Programs in State-Operated and State-Supported Schools for Handicapped Children in House.

Subsequent to the termination of the above-mentioned contract, it was decided within the Vocational, Handicapped, Developmental Programs Division of the Office of Planning, Budgeting and Evaluation to conduct an in-house effort to complete this evaluation. It was decided to obtain the services of Mr. Oliver Bryk, supported by in-house staff, to assess the utility of the materials gathered or created by Exotech Systems, Inc. with the goal of organizing these materials in a cohesive manner to produce a definitive final report. Mr. Bryk was the former project director who successfully conceptualized and planned the entire 89-113 project. He also successfully managed the implementation of Phase I of the 89-113 project before departing the firm. Therefore, Mr. Bryk's intimate project knowledge and background coupled with his writing and organizing skills casted Mr. Bryk as a unique source for the specific task of writing the final project report. The statement of work outlining the tasks to be performed by Mr. Bryk and a tentative time frame of performance is contained in Appendix 13.

As a result of this in-house study, it was found that the data base supplied by Exotech System, Inc. had many inadequacies as highlighted by Mr. Bryk's November 21, 1974 progress report. (See Appendix 14). In compliance with Mr. Bryk's recommendations, a detailed examination of the data coding and data processing techniques by which the data tapes were generated produced numerous errors, it was determined that the existing data tapes could not be used to support the necessary analysis under this contract. Thus, it was determined that information from the source documents had to be completely recoded and new data tapes must be generated. These possibilities were explored by in-house discussions with the National Center for Educational Statistics and the Data Processing Division of U.S.O.E.

After the data had been keypunched and a new data tape had been created, validation tests of the accuracy of the data collected by Exotech were made. The results of these indicated that the data collected was virtually useless and that it was impossible to be used to complete the analysis. (See Appendix 15 for details).

It is hoped that this chronological summary abstracts sufficiently those events of Contract OEC-0-72-4903 (Evaluation of Educational Programs in State-Operated and State-Supported Schools) which you have requested. If this is not the case, please do not hesitate to contact us.

Reasons Why Another 89-113 Evaluation Study Has Not Been Performed.

The lack of evaluation resources has been the main reason why another evaluation study in this area has not been performed. However, our continuing desire to conduct such a study is evidenced by the memorandum from the Office of Planning, Budgeting, and Evaluation to the Bureau for the Education of the Handicapped. (See Appendix 12 for details).

APPENDIX I

MEMORANDUM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATIONTO : Gene Perry
Contracts & Grants

DATE: June 19, 1972

FROM : Robert J. Maroney *RJM*
OPPE

SUBJECT: Selection of a Contractor for RPP 72-43

1. As you know, we have now completed negotiations on the technical proposals of RMC, Inc., and Exotech Systems, Inc., and have received the Best and Final Offers from each firm. It was the decision of the selection panel that Exotech Systems, Inc., be awarded the contract. The reasons for this decision are presented in the following paragraphs.
2. The analysis of each firm's offer showed the following:

a. Manmonths of effort

<u>Direct Labor</u>	<u>RMC</u>	<u>ESI</u>
Senior Professional	16.2	26
Professional	17.5	12
Sub-professional	12.0	14
Consultant's time	2.6	2
Total	48.3	54

Note: RMC includes 3.9 manmonths of Secretarial and Publications (S&P) time effort whereas ESI carries this type of effort under Overhead. For purposes of comparison between the two firms, I have not included the 3.9 manmonths of S&P time in the figures, above.

b. ESI estimates Travel Costs (i.e., Travel, Per Diem, and Car Rental) at \$15,150 while RMC estimates it at \$4,542. These categories are not completely comparable since it appears that ESI includes travel expenses for consultants in Travel Costs while RMC appears to include travel costs and consulting fees under their Consultants category. However, RMC's Travel Costs are considered to be gross underestimates, probably in the magnitude of about \$10,000 for the project. Thus, RMC's cost estimate for the project should be approximately \$189,000.

c. It is the opinion of the panel that senior professional time is very important in this study. ESI has committed more time of senior professionals to this project.

d. The selection panel felt that ESI's technical proposal as awarded, was stronger than RMC's proposal, as awarded, in four general areas. First, it was felt that ESI's discussion of the primary issues and its overall approach were stronger. Secondly, ESI presented a more sophisticated proposal for the development of data base and management information system than was the case with the RMC proposal. Third, the ESI training plan was clearly superior to RMC's, particularly for purposes of an initial evaluation which has a high priority for OPPE. Finally, ESI demonstrated a more sophisticated understanding of the policy issues involved in this study both in terms of OH interests and in terms of OEW interests.

e. In summary, ESI's technical proposal was significantly stronger and its cost estimate was more realistic. Therefore, it was the unanimous decision of the selection panel that ESI should be awarded the contract.

5. I am prepared to give a detailed debriefing to RMC on this decision and would appreciate it if you would inform RMC of that when you notify them of the award of the contract. Thank you for your attention to this matter.

cc: Pat Dever, OPPE

APPENDIX 2

Contracts



JANUARY 1973 PROGRESS REPORT

EVALUATION OF EDUCATION PROGRAMS IN STATE-OPERATED
AND STATE-SUPPORTED SCHOOLS FOR THE HANDICAPPED (PL 89-313)
CONTRACT NO. OEC-0-72-4903STATUS

All tasks specified for Phase I of the contract were completed with the exception of pretest of the survey instruments. The Phase I draft report "Program Data and Analysis" was submitted and the final version will be forwarded as soon as OE comments have been received and incorporated. A preliminary draft of the supporting statement for OE and OMB forms clearance which is in final preparation will be forwarded by the first week in March.

Our monthly usual CMP network analysis showing task completion is not available at this time because of the recent move of our firm to Bailey's Cross Roads, Virginia. We anticipate at this time that formal transmittal of the supporting statement will be accomplished by the first week of March with a delay of approximately one month. Assuming that forms clearance can be obtained in two months or less allows us to get back on schedule by more intensive effort during the site visit phase.

PROGRESS

Progress was accomplished by completion of the data collection effort and subsequent evaluation included in the Phase I Reports and completion of the analysis plan, survey instruments, and data processing plan incorporated in the draft statement for OE and OMB forms clearance.

PLANS

Pretests of survey instruments will be conducted in Kentucky, Massachusetts and New Jersey at state agency and P.L. 89-313 recipient sites. Mail comments will be solicited from California and Colorado. The pretest plan calls for comments from 8 state agencies and 7 state-operated or state supported schools.

APPENDIX 3

MEMORANDUM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE DIRECTOR

TO: Don Strone,
Exotech Systems, Inc.

FROM: Acting Director,
Division of Vocational &
Handicapped Programs, ORE/USOE

SUBJECT: Activities on Contract No. OHS-0-72-4993

DATE: July 26, 1971

1. As per my phone conversation with Oliver Bryk prior to his leaving on vacation, this memo authorizes you to reproduce the attached two letters and mail them to the appropriate addressees. The addressees will be the Chief State School Officers (CSSOs) and the CRIS Coordinators in each State affected by our study. I have provided Mr. Bryk with an address list for the CRIS Coordinators and you have an address list for the CSSOs.

2. As per our phone conversation of 7/26, it appears that there are some potential problems for this project. Therefore, I'd like to take the following steps to avoid or minimize these problems:

a. We have slipped on the time schedule for this project and I'm concerned as to whether the project can be completed on schedule, i.e., can you "catch-up" over the next months? In responding to this question, please indicate the specific actions you intend to take and a rough time table for these actions:

b. Due to the departure from Exotech of two senior professionals on this project (Emery and Gordon), the probable departure of the Project Director (Bryk), and other personnel changes, e.g., Fisher's retirement, the composition of the project team is drastically altered. As you know, changes in project personnel should have OE approval. Therefore, I would request that you send me a new roster of project personnel indicating the functions each person will perform. On receipt of this, the OE Contracts Officer will send you a formal notice of approval.

c. As you know, I have taken on several new responsibilities. The result of this is obvious -- it takes me too long to respond to your needs, e.g., for review of reports, questionnaires, etc. To correct this situation, I have asked Emmett Fleming to assume responsibility for monitoring this project. We are in the process of making the transition now and Emmett should have full responsibility in about one week.

3. Thank you for your attention to these matters.

Robert J. Maroney, OHS/D.

cc: Emmett Fleming, OHS/USOE
Gene Perry, OHS/USOE

APPENDIX 4

5705 Leesburg Pike
Falls Church, Virginia 22041
(703) 820-4320

Exotech Systems, Inc.

August 16, 1973

Dr. Emmett Fleming
Office of Planning, Budgeting and Evaluation
U.S. Office of Education
400 Maryland Avenue, S.W., Room 4094
Washington, D.C. 20202

Re: Contract No. OEC-D-72-4903

Dear Dr. Fleming:

This letter is in response to a request by Dr. Maroney for information on the project's current schedule and staffing.

Schedule

We have laid out a tight schedule which will complete the contract by April 30, 1974, the current contract completion date. Thus, we plan to make up for the extraordinarily long forms clearance process without another extension. However, if we encounter any significant difficulties in any of the phases of data collection, processing, analysis, and documentation, an extension may be necessary. Monthly reviews will be made of the schedule to determine the existence and seriousness of slippages.

Staff

Substituting for Oliver Bryk as project director will be Don Strobe, and for Ron Emery as principal investigator will be John Phillips.

The following project staff are proposed to complete the project; their primary functions are briefly noted.

Cleopatra Lawton - site visits and analysis
Gloria Grant - site visits and analysis
Slagle Allbritton - statistical analysis and site visits
Allan Davis - supervision of mail survey and site visits
Larry Aronow - site visits
Leon McLaurin - data processing and site visits
Bill Trotter - data processing

Sincerely,

Donald Strobe
Project Director

cc: Robert Maroney, DVMP/OPBE
Gene Perry, C&GD/USOE

APPENDIX 5



1501 Leesburg Pike
Falls Church, Virginia 22041
(703) 620-4320

Exotek Systems, Inc.

February 15, 1974

Mr. Clarence E. Perry
Chief, Headquarters Procurement Branch
Contracts and Grants Division, Room 1077
Department of Health, Education, and
Welfare
Office of Education
Washington, D. C. 20202

RE: Contract OEC-0-72-1901

Dear Mr. Perry:

We have just completed our latest review and analysis of the time, direct labor, travel and other requirements for completion of our study under the reference contract. The preliminary results of our review were discussed with you by Sam Schalkowsky in your telephone conversation of February 7, 1974. This letter is our detailed follow-up to that conversation.

The work yet to be accomplished is comprised principally of the following:

1. Analysis of the State Management Interview Guides from 30 states. The input is from about 100 guides.
2. Data processing for tabulations, cross tabulations and analysis of about 700 mail questionnaires from state-operated and state-supported schools that receive PL 89-313 funds.
3. Conduct of in-depth case studies at 48 facilities throughout the USA. Interviews will be conducted at each facility and the results will be analyzed and fully documented.
4. Prepare and submit a draft final report, respond to OE review of the draft, and submit final report.

The level of effort required to accomplish these tasks and to ensure full benefit to the USOE from work accomplished over the past 19 months, including an effective presentation of results, represents an increase of effort over that presented in our original estimates made about two years ago. Additions to the time for performance and the funding for direct labor, other direct and related costs are desired to complete this project.

Although we will apply every possible effort to minimize any delay beyond the April 30, 1974 date now specified in our contract, it appears highly desirable to extend the allowed performance period to June 30, 1974. This will provide a contingency allowance for the additional time we now estimate may be needed to accommodate realistic review periods for USOE and effective responses by our staff to the results of critical reviews. Relaxation of the end-point also allows for a possible time overrun on our tight schedule for field work over the next five weeks or so if we are affected by bad weather, curtailed airline schedules, and problems involving timing of appointments with respondents.

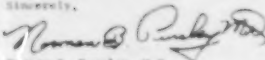
The costs incurred under this contract through January 31, 1974 are summarized in attachment (1) and our detailed estimate of costs to complete this project is presented in the attachment (2).

As itemized in enclosure (2), the estimated total cost to complete the project as of February 1, 1974 includes additional funding of \$55,917. This amount covers direct costs and adjustments for our projected overhead and GSA rates applicable to costs already incurred, and to be incurred, in this fiscal year.

Honorable Carl D. Perkins
Page 2
September 16, 1977

Your consideration of this request will be appreciated.

Sincerely,



Norman S. Parsley, M.D.
President
National Association of Superintendents
of Public Residential Facilities for
the Mentally Retarded

HRP:jw

cc: Mr. Sub Gettings
Dr. Ray Nelson

98-188 415

Of the requested additional funds, \$34,195 is attributable to increased direct program costs. The factors and circumstances which cause us to request the increase in this category include:

1. Inputs to the study from mail questionnaires have tended to be more drawn-out than was expected. Many of the respondents in the schools surveyed have called to request additional time because of their overcrowded work schedule. The result is that the time required for data compilation has been extended.
2. The slowness of returns cited above had further impact by forcing delays in the selection of sites for the case studies. These choices were dependent on results obtained from the mail questionnaire.
3. Our experience to date indicates that the level of effort which should be applied to ensure effectiveness in the analysis and presentation of study results should be increased over our original estimate.
4. We also recognize the appropriateness, and benefit to the final report, of critical reviews, both internally in our organization and by INCE. Adequate review time and provisions for effective responses and revision of the report by our staff is considered essential.

EXOTEC SYSTEMS, INC.

ENCLOSURE (1)

COSTS AS OF JANUARY 31, 1974

	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u> <u>7/1/73 - 1/31/74</u>	<u>TOTAL</u>
Direct Labor	\$2,038	\$ 64,239	\$ 26,968	\$ 93,245
Overhead (rate-1)	1,236 (60.83%) (1)	30,180 (60.99%) (2)	24,271 (90%) (3)	64,687
Other Direct Costs	—	1,339	4,462	5,801
Travel	—	3,107	5,010	8,117
Sub-total	\$3,274	\$107,865	\$ 60,711	\$171,850
G&A (rate-1)	484 (14.79%) (1)	17,089 (15.843%) (2)	10,928 (18%) (3)	28,501
Total Costs	\$3,758	\$124,954	\$ 71,639	\$200,351

(1) As audited by DCAA

(2) Currently being audited by DCM

(3) Projected for FY 74

152,707.16

64,665

201,130.24

ENCLOSURE (2)

COST TO COMPLETE
February 1 to May 31, 1974*Sum 30,1974*

<u>Direct Labor</u>	<u>Hours</u>	<u>Rate/Hr</u>	<u>Direct Cost-\$</u>
* Phillips	760	\$11.538	\$ 8,768.88
Ebner	720	8.567	6,168.24
* Grant	560	7.692	4,307.52
Jefferson	380	9.135	3,471.30
Klumpp	216	11.538	2,492.21
* McLaurin	336	8.413	2,826.77
Harrison	40	4.20	168.00
			<u>25,322.92</u>
verhead - 890%		<i>3012 = 276.5</i>	<u>22,790.63</u>
<u>Other Direct Costs</u>			
Key-tape	\$3,200		
Programming	1,900		
Coding-100 hrs @ \$4	400		
Printing	200		
			<u>\$,700.00</u>
<u>Travel</u>			
SEA travel (Va., N.J.)			
Case studies (28)	28,195*		<u>8,195.00</u>
Sub-Total			<u>62,008.55</u>
GSA - @ 18%			<u>11,161.54</u>
TOTAL COST-TO-COMPLETE			<u>73,170.09</u>

see attached breakdown

ATTACHMENT TO ENCLOSURE (2)

CASE STUDIES & SEA VISITS FIELD WORK

TRAVEL & RELATED COSTS

TRIP #	STATE	NO. SITES	DAYS P.D.	COST ESTIMATE			
				P.D.	TRNG	CAR	TOTAL
1	Calif, Wash	6	16	400	420	250	1,070
2	Colo, Ariz	5	14	350	340	290	980
3	Tex, La, Okla	4	12	300	340	240	880
4	Iowa, Mo	5	13	325	200	260	785
5	Wisc, Ill	4	11	275	175	300	750
6	Ohio, Ind, Mich	4	11	275	150	250	675
7	Mass, Conn	5	12	300	120	225	645
8	Conn	2	5	125	100	110	335
9	NY	4	11	275	80	160	515
10	Pa, NJ	5	13	325	85	275	685
11	NJ	2	5	125	70	100	295
12	Va, Md	3	5	125	-	120	245
13	Fla	<u>1</u>	<u>3</u>	<u>75</u>	<u>160</u>	<u>100</u>	<u>335</u>
		50	131	3,275	2,240	2,680	8,195

APPENDIX 6

MEMORANDUM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATIONTO : Mr. Gene Perry
Contracts & Grants Division

DATE: March 14, 1974

FROM : Emmett L. Fleming, Jr.
Contract Monitor

SUBJECT: Modifications of Contract OEC-6-72-4903

pursuant to the requests made by the contractor, Exotek Systems, Inc., in their February 15, 1974 letter for a two month extension to June 30, 1974 and the additional sum of \$55,917 to complete the contract which consist of \$34,195 for increased direct cost and \$21,722 for increased indirect costs. I agree that the request for the extension is a reasonable one considering the remaining tasks to be completed in the contract, but I disagree with respect to the sum of \$55,917 additional to complete. My argument is based on two facts. First, the fact that over the last two years of the contract the average monthly vouchers have been in the \$10,000 to \$11,000 dollar range. If this trend continues from March through June 30, 1974, I could not expect that the total to exceed \$50,000 including the \$4,195 for increased travel during this period. Secondly, the fact that the total funds expended as of February 28, 1974 (see voucher #29 attached) is \$211,523.81 out of the total contract price of \$235,014.00 which leaves \$23,490.17 remaining. The sum remaining, \$23,490.17 plus the additional sum to complete, \$55,917, equals to \$79,407.17 to be expended over March through June, and includes the adjusted overhead for FY 74 period. Taking all of these components into consideration, I think that the Office of Education is being overcharged approximately \$12,000 to \$20,000. I would appreciate you investigating these discrepancies that I have mentioned above.

I am also requesting that I be allowed to contact the Project Director of the 89-313 project (contract OEC-6-72-4903) to determine the work tasks to be assigned to personnel that are proposed for the remaining portion of the contract.

Lastly, I am requesting that Contracts and Grants Division initiate an audit report of this contract because of the numerous intermittent personnel changes of individuals not proposed in the original proposal.

APPENDIX 7



1700 Quince Orchard Boulevard
Gaithersburg, Maryland 20878
301 948-3060
TWX 710-626-9746

Exotech Systems, Inc.

June 17, 1974

Mr. Clarence E. Perry
Chief, Headquarters Procurement Branch
Contracts and Grants Division, Room 1077
Department of Health, Education, and
Welfare
Office of Education
Washington, D. C. 20202

Dear Mr. Perry:

Re: Contract OEC-D-72-4903

Over the past several weeks we have engaged in a detailed review of progress of our study under the referenced contract. Several meetings on this subject were held between Dr. Emmett Fleming of OE and Mr. John Phillips, our Project Director for the study. Their evaluation of progress and conclusions about the level of effort necessary to complete the final reports on the study led to the meeting of June 14, 1974 with you, Mr. Maroney and Dr. Fleming of OE, and Sam Schalkowsky and John Phillips of our firm. This letter is our detailed follow-up to that last meeting.

An extension of period of performance and additional funds to cover projected costs through completion of the study are requested as follows:

- (a) Extend the performance period to ~~August 31, 1974~~ ^{August 31, 1975}. The final reports will be delivered to OE for review not later than July 15, 1974. Following that review, comments from OE will be received by August 9, the reports revised as necessary, and final delivery of copies made prior to the end of August.
- (b) Provide additional funds to allow for the increased direct labor and associated costs necessary to complete all reports in accordance with the schedule set forth above. Enclosure (1) summarizes contract costs to May 31, 1974. Enclosure (2) is our itemized estimate of cost to complete based upon the time and level-of-effort agreed to in the meeting of June 14. The total additional funds required amount to \$26,490.

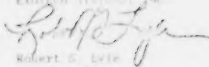
The level-of-effort and related costs for completing the fish work in cave studies extended markedly over our estimate submitted in OE letter of February 19, 1974. This is a major contributing factor to the need for increased funding. Scheduling delays were encountered due to the unavailability of key personnel at the time when work started. The final part of this review should not be completed before June 30. The cave studies also required more extensive information than was originally anticipated, adding to the effort required for effective analysis and reporting. The remaining work is now the analysis and report writing tasks which are not subject to the external influences and factors affecting cave studies. We are confident that satisfactory completion of the project can be accomplished with the direct labor specified below for the three-month period, June through August.

Staff Member	Man-Days		
	June	July	August
J. Phillips	20	14	10
E. Klump	20	14	-
G. Grant	20	14	-
H. Foster	20	7	-

In summary, it is requested that our referenced contract be amended to extend the performance period to August 31, 1974 and increase the total estimated cost to \$266,379 exclusive of fee.

Please advise if additional information or amplification of the data provided herein is required.

Very truly yours,
Exotech Systems, Inc.


Robert G. Lyle
Vice President

cc: Dr. R. Maroney
Dr. E. Fleming

ENCLOSURE (1)

COSTS TO MAY 31, 1974

	FY 72	FY 73	FY 74 (to 5/31/74)	Total
Direct Labor	2,038	64,230	52,760	119,037
Overhead (rate - %)	1,256 (60.65%) ^a	38,560 (60.04%) ^a	47,484 (90%) ^b	87,280
Other Direct Costs		1,339	5,684	7,023
Travel		3,107	12,280	15,387
Subtotal	\$5,274	\$107,254	\$116,208	\$228,736
GGA (rate - %)	484 (14.79%) ^a	16,689 (15.56%) ^a	21,277 (18%) ^b	38,450
Total Costs	\$1,758	\$123,943	\$139,485	\$267,186

Notes:

- a. As audited by DCAA
b. Projected for FY 74

ENCLOSURE (2)

COST TO COMPLETE

JUNE 1 TO AUGUST 31, 1974

Direct Labor	Hours	Rate(\$/hr)	Direct Cost	
Phillips	352	11.54	4,062.08	
Kluapp	272	11.54	3,138.88	
Grant	272	7.69	2,091.68	
Foster	216	5.00	1,080.00	
			10,372.64	10,372.64
Overhead (90%)				9,335.38
Other Direct Costs				
Key-tape	3,200			
Programming	1,500			
Report Reproduction	200			
	5,300			5,300.00
Travel (costs accrued to end of travel - 6/7/74) Case studies				1,426.64
Subtotal				26,434.66
GGA (18%)				4,758.24
Total Costs to Complete (6/1/74 to 8/31/74)				31,192.90
Cost through 5/31/74 (see enclosure 1)				267,186.00
Total estimated project cost (including fee)				298,378.90
Enclosure 3 estimated cost				271,883.00
Requested Decision				\$ 26,496.00

APPENDIX B

MEMORANDUM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATIONTO : Mr. John Taber
Contracts & Grants Division

DATE September 25, 1974

FROM : Emmett L. Fleming, Jr. E.L.F.
Contract Monitor, OFED

SUBJECT: Concerning Delays in Work Products of Contract OEC-0-72-4803

Pursuant with the conversation that you held with Dr. Robert Maroney and myself this morning, I will highlight the failures of Exotech Systems, Inc. under this contract and provide you with a list of items to be furnished by this Contractor.

A review of your records will show a request from Exotech Systems, Inc. to Chief, Headquarters Procurement Branch dated February 15, 1974 for \$54,279 to complete the contract and extending the final date of the contract from April 30, 1974 to June 30, 1974. In this letter the work yet to be completed by Exotech Systems Inc. included the following:

1. Analysis of the State Management Interview Guides from 30 States. The input is from about 100 guides.
2. Data processing for tabulations, cross tabulations and analysis of about 700 mail questionnaires from state-operated and state-supported schools that receive PL 89-313 funds.
3. Conduct of in-depth case studies at 48 facilities throughout the USA. Interviews will be conducted at each facility and the results will be analyzed and fully documented.
4. Prepare and submit a draft final report, respond to OE review of the draft, and submit final report.

Also included in this letter were a series of reasons why the Contract could not be completed under the current contract price and schedule.

Your records will also reveal another request from Exotech Systems Inc. to Chief, Headquarters Procurement Branch dated June 15, 1974 which requested an extension of the period of performance from June 30, 1974 to August 31, 1974 and an increase in cost of \$46,000 to complete the contract stating that level of effort and related costs for completing the field work in the same meeting a similar work. By their own estimate submitted only four months earlier in their letter of February 15, 1974. In this letter Exotech Systems Inc. promised that the draft of the preliminary final report would be delivered not later than July 15, 1974 and the final report by the end of August. Exotech Systems Inc. breached this agreement and delivered only two chapters of the preliminary final report in late August 1974 claiming that computer editing of the data files was the main reason for the delay in the remaining portions of the two have not yet been able to deliver the magnitude of the problem with the data files despite almost weekly data filed and daily and two meetings with the contractor and project director preliminary final report. Upon review by E. J. Schmitt Maroney, Office of Planning, Policy, and Evaluation; Mr. P. H. Thompson, Office of Education of the Department and myself, we found the two chapters of the preliminary final report unsatisfactory.

Next, a time extension from August 31, 1974 to September 30, 1974 was requested by Exotech Systems Inc. via the Contract Monitor to the Contracts and Grants Division after assurances that the remaining chapters of the preliminary final report and final report were forthcoming. Yet, as of the date of this memorandum, no additional work products have been received from the contractor. Communications with the contractor to determine the reasons for the delay of these products during the month of September indicated that no analysis could be made because the data files supporting this phase of the analysis were not completely edited as of this late date.

-2-

In that the final date for contract completion is September 30, 1974, I do not think it is in the government's interest to extend the contract again beyond the current final due date. I am requesting that you send Ketch Systems Inc. a stop work order on Contract H0240-72-4901 and request them to deliver to the U.S. Office of Education the following materials:

I. Questionnaires, Interview Guides, and Forms

A. State Education Interview Guides

1. Director of Special Education
2. Title I ESEA Director

B. State Agency Interview Guides

1. Director of Education and Training
2. Title I, P.L. 89-313 Coordinator

C. Interview Guide Legislative Analyst Form

D. Forms: Selected Form on P.L. 89-313 Supported Program, a Sample Through State Education Agency

E. Form: Selected Data on P.L. 89-313 Supported Program, a Sample By Agency

F. Provider Associated Interview Guide

G. Provider Director of Educational Programs Interview Guide

H. Mail Questionnaire to State Director and State Supporter Schools

1. Blank questionnaires, questionnaires, and interview guides, Card Dumps or tapes and other records and documentation

Retaining copies of the Forms described

J. Supporting Statements

II. Case Study Materials

A. Site visit reports or summaries

1. typed
2. handwritten

B. Work papers and notes

C. Tabulations and tables

III. Data Archiving

A. Data coding forms

B. Data identification

C. Data reports descriptions

1. files
2. records
3. tables

D. Programs

1. editing programs
2. translation programs
3. statistical programs

E. Data cassettes and tapes

IV. Final Reports and Papers

In addition to the specific materials mentioned above, the contractor is requested to submit to the U.S. Office of Education with a final report and collected while attempting to implement their contractual obligation.

If additional facilities are needed, describe the amount of this contract, please do not hesitate to call me on ext. 56077.

APPENDIX 9

U.S. Office of Education
 Contracts and Grants Division
 400 Maryland Avenue, N.W.
 Washington, D.C. 20202

9/30/74

x

Ora Smith, Grants Technician

202-245-0000

EXOTON SYSTEMS, INC.
 1200 JUDICE ORCHARD BOULEVARD
 CATHERSBURG, MARYLAND 20750

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, OFFICE OF
 EDUCATION, OFFICE OF ADMINISTRATION, GRANT AND PROCUREMENT
 MANAGEMENT DIVISION, HEADQUARTERS PROCUREMENT BRANCH, ROOM 1077,
 FEDERAL OFFICE BUILDING NO. 6, 400 MARYLAND AVENUE, S.W., WASHINGTON,
 D.C. 20202.

THE UNITED STATES OFFICE OF EDUCATION HAS DETERMINED THAT IT IS NOT
 IN THE BEST INTEREST OF THE GOVERNMENT TO CONTINUE EFFORT UNDER
 CONTRACT NUMBER OEO-5-72-4903 BEYOND THE CURRENT COMPLETION DATE
 OF SEPTEMBER 30, 1974. ACCORDINGLY YOU ARE HEREBY DIRECTED NOT TO
 CONTINUE WORK BEYOND THAT DATE AND TO BEGIN IMMEDIATELY PACKAGING
 AND PACKAGING THE FOLLOWING ITEMS AND MATERIALS FOR SHIPMENT TO THE
 U.S. OFFICE OF EDUCATION:

I. QUESTIONNAIRES, INTERVIEW GUIDES, AND FORMS

A. STATE EDUCATION INTERVIEW GUIDES

1. DIRECTOR OF SPECIAL EDUCATION
2. TITLE I DATA DIRECTOR

B. STATE AGENCY INTERVIEW GUIDES

1. DIRECTOR OF EDUCATION AND TRAINING
2. TITLE I, P.L. 89-313 COORDINATOR

C. INTERVIEW GUIDE LEGISLATIVE ANALYST FORM

D. FORM: SELECTED DATA ON P.L. 89-313 SUPPORTED PROGRAMS
 FUNDED THROUGH STATE EDUCATION AGENCYE. FORM: SELECTED DATA ON P.L. 89-313 SUPPORTED PROGRAMS
 PROVIDED BY AGENCY

F. PROVIDER ADMINISTRATOR INTERVIEW GUIDE

G. PROVIDER DIRECTOR OF EDUCATIONAL PROGRAMS INTERVIEW
 GUIDEH. MAIL QUESTIONNAIRE TO STATE OPERATED AND STATE SUPPORTED
 SCHOOLSI. BLACK (UNBROKEN) FORMS, QUESTIONNAIRES, AND INTERVIEW
 GUIDES, CARD DECKS OR TAPES AND THEIR FORMATS AND
 SPECIFICATIONS

~~UNCLASSIFIED//FOR OFFICIAL USE ONLY~~

J. SUPPORTING STATEMENTS (STANDARD COPIES)

II. CASE STUDY MATERIALS

A. SITE VISIT REPORTS OR SUMMARIES

1. TITLES
2. HANDWRITTEN
3. WORK PAPERS AND NOTES
4. TABULATIONS AND TABLES

III. DATA PROCESSING

- A. DATA CODING FORMS
- B. DATA SPECIFICATIONS
- C. DATA LAYOUTS DESCRIPTION

1. FILES
2. RECORDS
3. TABLES

D. PROGRAMS

1. EDITING PROGRAMS
2. TABULATION PROGRAMS
3. STATISTICAL PROGRAMS

E. DATA CATCH AND TAPES

IV. PARTIAL REPORTS AND PAPERS

IN ADDITION TO THE SPECIFIC MATERIALS LISTED ABOVE, THE CONTRACTOR IS REQUESTED TO SUBMIT TO THE U.S. OFFICE OF EDUCATION ALL MATERIALS CREATED AND COLLECTED WHILE ATTEMPTING TO FULFILL THIS CONTRACTUAL OBLIGATION. AS YOU REALIZE, BENTON SYSTEMS, INC. HAS FAILED TO COMPLETE PERFORMANCE UNDER THIS CONTRACT, DESPITE THE ADDITION OF \$34,270 IN FEBRUARY 1974 AND \$26,496 IN SEPTEMBER 1974, AND THE EXTENSION OF THE COMPLETION DATE FROM APRIL 30, 1974 TO SEPTEMBER 30, 1974. ACCORDINGLY, THE FUND FMR PAYABLE UNDER THIS CONTRACT WILL BE ADJUSTED DOWNWARD TO REFLECT THE ACTUAL PORTION OF THE OBJECTIVES ACCOMPLISHED. YOU WILL BE CONTACTED BY THIS OFFICE IN THE NEAR FUTURE CONCERNING THIS ADJUSTMENT.

ALL MATERIAL DIRECTED TO BE RETURNED TO THE OFFICE OF EDUCATION BY THIS NOTIFICATION MUST BE SUBMITTED NO LATER THAN OCTOBER 11, 1974, SUITABLY PACKAGED TO AVOID DAMAGE IN TRANSIT. YOU WILL BE REQUESTED FOR NECESSARY AND REASONABLE EXPENSES INCURRED IN THE PREPARATION AND SHIPPING OF THESE MATERIALS.

JOHN P. TAME
CONTRACTING OFFICER
CLIENTS AND SPECIAL PROCUREMENT BRANCH
MAIL AND FREIGHTS MANAGEMENT DIVISION

APPENDIX 10

Exotek Systems, Inc.
Gaithersburg, Maryland 20878
301 948-3060
TWX 710-828-9746

Exotek Systems, Inc.

October 11, 1974

Mr. John R. Taber
Contracting Officer
Contracts and Grant Division
DHEW/Office of Education
Room 1077
400 Maryland Avenue, S.W.
Washington, D.C. 20202

Dear Mr. Taber:

In compliance with the Office of Education Directive of 30 September 1974 the following materials relating to GE Contract CDC-C-72-4903 are delivered to the Office of Dr. Emmett Fleming, Room 4094, Federal Office Building No. 6.

BOXES

1. Mail Survey Listings, Mail Survey Labels, and Magnetic Tape of FY 1973 Providers
2. Blank Questionnaires - Bound and Unbound
3. Case Study Interview Guides & Materials
4. Case Study Interview Guides & Materials
5. Case Study Interview Guides & Materials
6. Mail Questionnaires to State-Operated and State-Supported Schools
7. Mail Questionnaires to State-Operated and State-Supported Schools and Mail Questionnaire Coding Sheets
8. State Education Agency and State Agency Interview Guides - Forms 1-8 (Arizona to Wisconsin)
9. Edit Program Cards, GPO Statements, Institution News Letters, Compilation of State Agency Interview Guides, Work Papers, and Manuscript of Chapters 1, 2 and 4.
10. Sort and Print Programs for Mail Questionnaires (Cards & Listings) Data Tape #5423 Mail Questionnaire Data, Data Tape #5424 Table Headers, Table Header Listing Formatted Corrections Towards, Partial Listing Corrected Data Files, Data Correction Printouts, Test of Sort and Print Program.

Sincerely yours,

EXOTEK SYSTEMS, INC.

Robert E. Lytle
Robert E. Lytle
Vice President

RLL:cs

cc: Dr. Emmett Fleming

APPENDIX II

STANDARD FORM 28 JULY 1969 GENERAL SERVICES ADMINISTRATION 500 PENN. AVE., S.W. WASHINGTON, D.C. 20540		AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		PAGE 1 OF 1																															
1. AMENDMENT/ SOLICITATION NO. <u>5</u>		2. EFFECTIVE DATE	3. REQUESTED PURCHASE REQUEST NO.	4. PROJECT NO. (SEE APPENDIX)																															
5. ISSUED BY DEEM/Office of Education Grant and Procurement Management Div., 400 Maryland Ave., NW Rm 5713 80843 Washington, D. C. 20202		6. ADMINISTERED BY (SEE OTHER PAGE 2) Frank Cardinale (202) 345-7871																																	
7. CONTRACTOR NAME AND ADDRESS Faitech Systems, Inc. 1200 Quince Orchard Boulevard Gaithersburg, Maryland 20860		8. AMENDMENT OF SOLICITATION NO. 9. AMENDMENT OF CONTRACT/ORDER NO. DEC-0-72-4903 DATE: 06/19/72																																	
10. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS ☐ The above numbered information is amended as set forth in block 11. The base and price are not the subject of change. ☐ extended ☐ not extended. (Effective date and change of price of the amendment are to be stated and then specified in the amendment as is provided by one of the following methods: (a) By listing and attaching a copy of this amendment (to be substantiated by each copy of the amendment to be made) to the contract or to the contract and subcontract numbers. FAILURE OF FULFILLING OBLIGATIONS TO BE RECOVERED BY THE ISSUING OFFICE TO THE CONTRACT AND SUBS AMPLIFIED MAY RESULT IN REJECTION OF FUTURE OFFERS. In the case of this amendment you desire to change an offer already submitted, such change may be made by telephone or other specified and better make reference to the amendment and this amendment and is recorded in the issuing file and then specified. (b) ACCOUNTING AND APPROPRIATION DATA (If required) 7550271 2007475 EIN #1540700888 \$2,852 INCREASE																																			
11. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF CONTRACTS/ORDERS ☐ The Change (Date) is stated as follows: The Change (Date) is stated as follows: ☐ The above numbered contract order is modified to reflect the amendments changes and a change in pricing offer consideration then set as follows: ☒ The Supplemental Agreement is entered and approved in accordance with Article 27, Negotiated Overhead Rates under General Provisions If modified, the above numbered contract order is modified as follows: 12. DESCRIPTION OF A MODIFIED CONTRACT																																			
1. The Contractor's final indirect expense rates are established as follows: <table border="1"> <thead> <tr> <th></th> <th>FY 73</th> <th>FY 74</th> <th>FY 75</th> <th>APPLICABLE TO</th> </tr> </thead> <tbody> <tr> <td>Overhead</td> <td>80.0%</td> <td>82.6%</td> <td>118%</td> <td>Direct Labor Dollars</td> </tr> <tr> <td>G&A</td> <td>15.56%</td> <td>20.3%</td> <td>30%</td> <td>Total Cost exclusive of G&A</td> </tr> </tbody> </table> 2. As a result of the adjustment in the Contractor's overhead rates, the total estimated cost is charged to read as follows: <table border="1"> <thead> <tr> <th></th> <th>Increased By:</th> <th>From:</th> <th>To:</th> </tr> </thead> <tbody> <tr> <td>Total Estimated Cost</td> <td>\$2,852</td> <td>\$18,329</td> <td>\$20,231</td> </tr> <tr> <td>Fixed Fee</td> <td>0</td> <td>15,410</td> <td>15,410</td> </tr> <tr> <td>Total Estimated Cost Plus Fixed Fee</td> <td>\$2,852</td> <td>\$18,329</td> <td>\$20,231</td> </tr> </tbody> </table>						FY 73	FY 74	FY 75	APPLICABLE TO	Overhead	80.0%	82.6%	118%	Direct Labor Dollars	G&A	15.56%	20.3%	30%	Total Cost exclusive of G&A		Increased By:	From:	To:	Total Estimated Cost	\$2,852	\$18,329	\$20,231	Fixed Fee	0	15,410	15,410	Total Estimated Cost Plus Fixed Fee	\$2,852	\$18,329	\$20,231
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13. CONTRACTOR'S SIGNATURE IS NOT REQUIRED. CONTRACTOR'S SIGNATURE IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN IT TO THE ISSUING OFFICE. 14. SIGNATURE OF CONTRACTOR OFFICIAL 15. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 16. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 17. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 18. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 19. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 20. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 21. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 22. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 23. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 24. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 25. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 26. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 27. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 28. SIGNATURE OF CONTRACTOR OFFICIAL (SEE OTHER PAGE 2) 29. 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APPENDIX 12

file copy
MEMORANDUM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATIONTO : Robert S. Herman,
Associate Deputy Commissioner/BEH

DATE: March 9, 1977

THROUGH: Robert C. Hall, OPBE/DOHDP

FROM : Judy G. Kairath
OPBE/DOHDPSUBJECT: 1) FY 76 Annual Evaluation Reports - Programs for the Handicapped
2) Evaluation Plans of Programs for the Handicapped

1) We received your comments on the Annual Evaluation Reports of FY 76 - Section H. We appreciate the conscientiousness with which Mr. Allbritton reviewed these program reports and our revised version will reflect the updated information provided to us by your Bureau staff.

2) We are currently in the process of developing evaluation plans for handicapped programs and would appreciate your input concerning the program areas which you consider in need of evaluation for FY 77-78, FY 78-79, FY 79-80, FY 80-81, and the priority you would assign to each evaluation topic. Our office is considering the following study topics:

1. To assess the accomplishments developed by the Regional Resource Centers, by the coordinating office, and by the Direction Service Programs.
2. An evaluation of the Pre-service components of the Personnel Preparation Program.
3. An assessment of the State-Transit program administered by BEH's Division of Assistance to States.
4. A Study to examine the impact of the BEH's Demonstration Model Programs.
5. An evaluation of the impact P.L. 94-142 has on serving all handicapped children.
 - a) To assess the States ability to deliver mandated services to all handicapped children given the allocation of funds formula as specified in P.L. 94-142.
 - b) What types of cut-backs must the SEA's and the IEA's make in order to comply with the legislative mandate.
 - c) To assess the extent to which States have been able to upgrade the services provided to handicapped children.

If you concur that these ~~are~~ are viable evaluation topics, please delineate those aspects of these suggested studies which would provide BEH with relevant programmatic information. Additionally, we welcome any suggestions, additions, deletions to the above list.

APPENDIX 13

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20042

October 17, 1974

Mr. Oliver Bryk
6311 Poe Road
Bethesda, Maryland 20034

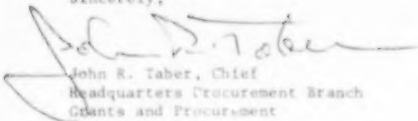
Dear Mr. Bryk,

The U.S. Office of Education has a requirement for the completion of the evaluation of educational programs in State-operated and State-supported schools for the Handicapped Children Project, of which you were the Project Director before departing the Exotech firm.

Accordingly, you are requested to submit a proposal to the undersigned no later than November 1, 1974 to perform the services described in the attached work statement. It is anticipated that your proposal and subsequent negotiations will result in the award of a fixed price man-day rate type contract.

Thank you for your prompt attention to this request. If you have any questions, please contact Miss Ora Smith at 202-245-8909.

Sincerely,



John R. Taber, Chief
Headquarters Procurement Branch
Grants and Procurement
Management Division

ATTACHMENT A

WORK STATEMENT

AN EVALUATION OF EDUCATIONAL PROGRAMS
IN STATE-SUPPORTED INSTITUTIONS
FOR THE HANDICAPPEDBackground

Legislative authority. Federal assistance to State-supported institutions for the handicapped is authorized by ESEA Title I, Section 105 (a)(5), as amended by P.L. 89-313. The intent of the legislation is that Federal funds be used to support educational programs within those institutions. Institutions which qualify for support may range from State-run, residential institutions to non-residential schools for the handicapped where at least half the tuition for each child is paid by the State. In addition, these institutions may serve one or more categories of the handicapped.

The legislation requires that Federal funds be allocated by formula. The formula used specifies that, for each child enrolled in institutions for the handicapped, the State receives an amount equal to half the State expenditure for each child enrolled in its public schools, or half of the national average, whichever is higher. It should be noted that in effect this formula provides a source of funds which is limited only by the number of the institutions which can be shown to qualify by each State.

Need for an evaluative study. Support provided to the States by this program represents the largest, single source of Federal funds for educational services to handicapped children. This is true not only in terms of the total amount but also because the coverage per pupil expenditure is large enough to provide significant increments to the quantity and quality of services received by all these children. However, there have been no rigorous studies to determine if this program is having desirable results.

Besides the need to determine the impact of this program, there are other questions posed by the nature of the target population and the institutions which serve these populations. The target population is composed of the most severely handicapped children for whom an attempt to provide an education is being made. Therefore, the nature of these children are being provided by residential institutions. Such institutions are motivated by more to be counterproductive of one's goal to assist these children to achieve some degree of independence and self-actualization. Thus, in addition to the questions of impact, there are basic policy issues requiring study, e.g., what degree of support should be provided to this population.

relative to a less severely handicapped population, or what strategies the Federal government could implement to reduce the residential ambiasis of this program, etc.

In summary, there is a clear need to determine the impact of the P.L. 89-313 program and to define and explore the policy issues involved in the program.

Study Objectives

The objectives of this study are as follows:

1. To assess the impact of P.L. 89-313 funds in terms of the extent to which (a) educational services now exist that did not exist prior to receipt of such support, (b) previously existing educational programs have improved as a result of Federal support, and (c) activities supported by P.L. 89-313 funds result in improved outcomes for handicapped children;
2. To examine the various administrative mechanisms by which State agencies manage P.L. 89-313 funds in order to identify those which maximize (a) the impact of the funds and (b) the quality of State planning;
3. To determine the degree to which the legislative intent is being satisfied by Federal and State program administration both in terms of program objectives and the manner of allocating funds;
4. To present the policy implications deriving from this study, i.e., legislative, budget and planning, and program management implications.

Policy Issues

There are a number of policy issues or relatively immediate questions.

Among these are the following:

1. Should P.L. 89-313 funds be allocated equally to all children regardless of handicapping condition (the current method should these funds be targeted to specific handicapping conditions, or should the funds be targeted to some other basis which would reflect the different requirements of each of the handicapping conditions?
2. Does this create undue administrative complication? If so, are there any other ways of doing this? Should we determine which would provide the maximum benefit to the child?

3. Should Federal support be targeted on the severely handicapped or would there be greater "payoff" in targeting funds to the mildly and moderately handicapped?
4. Does the current Federal allocation formula distribute funds in an equitable way? If not, what method would be more equitable?

With the exception of question 2, which does not have legislative implications, each of these questions could result in recommendations for legislative changes, and would have implications for planning, budgeting, and program management.

Scope of Work

The contractor, in concert with other U.S. Office of Education personnel, will first examine the entirety of the work performed by the previous contractor in order to determine the actual status of the project. The contractor's assessment of the status and recommendations for its completion will be submitted to USOE for review and approval.

Secondly, the contractor will develop an analysis plan specifying in detail the major and minor issues to be analyzed; hypotheses to be tested; table shells and display panels to be utilized; and other informational needs to be derived statistically from the existing data base. The contractor will submit in writing an analysis plan for review and approval by USOE. It should be noted that the contractor will be supplied with statistical and computer technical assistance as well as computer machine time by USOE in the implementation of the plan of analysis.

Thirdly, the contractor will develop a final report outline followed by the preliminary draft of the final report both of which will be reviewed and approved by USOE.

Lastly, the contractor will make necessary revisions to the preliminary final report and submit the final report accompanied by an executive summary. Duplications of the final report and summary will be the responsibility of USOE.

Time Schedule

The following is a tentative time schedule. Other schedules will be considered by USOE.

<u>Month</u>	<u>Activity</u>
Oct. 14 - Oct. 31	Familiarization with the work of the previous contractor
November 1	Submission of the project status report and recommendations for completion
Nov. 2 - Nov. 14	Development of Analysis Plan
November 15	Submission of Analysis Plan
Nov. 15 - Nov. 22	USOE review of Analysis Plan
Nov. 23 - Dec. 31	Implementation of Analysis Plan and develop outline for final report
January 15	Submit to USOE the Preliminary final report
Jan. 15 - Jan. 22	USOE review of the Preliminary final report
Jan. 22 - Feb. 13	Write the final report and executive summary
February 14	Submit final report and executive summary

APPENDIX 14

OLIVER BRYK

6311 POE ROAD
BETHESDA, MARYLAND 20034
PHONE (301) 252-7961

Dr. Emmett L. Fleming, Jr.
US Office of Education
Office of Planning,
Budget and Evaluation
Washington, DC 20202

21 Nov 74

Re: Contract No. 300-75-0094

Dear Emmett:

This letter report describes the results of the first task under the referenced contract: to assess the status of the project as delivered to USOE by the previous contractor, and to make recommendations for the project's completion. For your convenience I have summarized my findings concerning the survey of state agencies and grant recipients by reference to the Areas of Inquiry shown in Exotech's OMS Statement of 6 June 73, pages 14-16 and 20-21, respectively. A more detailed review of the items covered in the summary follows, and further detail can be provided, should you request it, from my working notes.

As noted, pages 14 and 15 of the OMS Statement show the areas of inquiry for the interviews at the State level. For reasons which appear justified by the administrative arrangements in the states visited, only 13 state directors of special education were interviewed, none of the Legislative analysts was interviewed, however, and I could not find any documented rationale for this departure from the survey plan. The status of the survey materials that were obtained relative to the areas of inquiry is as follows:

1. Programs: a) and b) adequate, c) and d) inadequate.
2. Mandates: (no legislative input) a), b), d), and e) adequate, c) spotty, i.e., several respondents did not provide adequate information.
3. Judicial: (no legislative input) spotty.
4. Legislative: nothing
5. Objectives: (no legislative input) generally adequate except for several responses which confuse responsibilities with objectives and/or statutory with administrative concerns.
6. Responsibilities: adequate.
7. Needs Assessment: spotty.
8. Allocation: adequate.
9. Grant Eligibility: adequate.
10. Grant Programs: inadequate. (Information for this area of inquiry depends entirely on two data collection forms (#6 and #7). About half of the agencies did not furnish any data; those that did, provided only partial answers.)
11. Grant Allocation: adequate
12. Project Selection: adequate
13. Project Review: adequate
14. Program Impacts: adequate

The areas of inquiry for the survey of grant recipients are shown on pages 20 and 21 of the Q&A Statement in two broad categories, information about the recipient's program and students, and information about the recipient's grant project experience. As you know, the response to the mail survey cannot be fully evaluated at this time because the questionnaires are to be recoded and processed. Judging by the sample of responses which you and I examined, there should be adequate information for descriptive profiles of providers. Item L, Finances, is likely to be weak due to the small fraction of responses that were complete and accurate. Responses to openended questions appeared to be useful. Case study or site visit reports are summarized in usable narrative for only one fourth of the sites but interviews were carried out and answers to survey questions obtained at all sites. Not many of the instruments are legible but all responses have been summarized on spreadsheets.

The draft report prepared by the previous contractor, covering the state agency survey and case studies, respectively, does not appear useful in its present form. More specifically, chapters on background, purpose, and method of the study as well as organization of the report are deficient or lacking; the treatment of the state agency survey is uninformative and not related to program data forming the subject of an earlier report (Phase I); and the treatment of the site visits for case study purposes is really only an enumeration of responses to questions in the instruments grouped by several classes of grant recipients. Quantitative information is lacking in this part of the report, too. No attempt has been made to relate information obtained from state agencies to information obtained from service providers, or focus it.

The Phase I report was reviewed briefly. No changes appear to be required but it is possible to update several items with information from the 1970 Census that has been published since that report's completion and which I have already obtained: estimates of the institutionalized population in 1970 and estimates of the general population for 1973, the last year before the survey for which such estimates are currently available.

As you know, all survey materials from state and school visits has been filed. Supplementary items collected by the interviewers have been noted on 3x5 cards for possible reference or augmentation of the site survey reports. The inventories which I made to assess the completeness of the surveys can be reviewed in detail but briefly the status is as follows: (7 forms were required for the state agency surveys, 2 for the school visits)

Form 1 was collected and completed in 13 states. Interviewers' notes indicate that the special education director was not involved in the grant administration in the other states, while I am not in a position to check the accuracy of that finding I am inclined to accept it and make the most out of crosschecking responses.

Form 2 was completed at least once in each state; the total on hand is 32.

Form 3 was not completed in 4 states, and from 1 to 4 were obtained in 27 states; total 39.

Form 4 was obtained in 27 states for a total of 41.

Form 5 (legislative or fiscal analyst) was not completed in any state.

Form 6 is a data collection form consisting of 5 tables to be completed by the state agency. 14 responses were obtained from 9 states. 5 respondents in 3 states did not complete table 1, number of programs funded. Table 2, expenditures, was partially completed by 10

respondents in 7 states, no response was complete with respect to both the number of years and the sources of funding. Table 3, Enrollment, was completed by 10 in 8 states. Table 4 was crossed out as inapplicable. Table 5 was completed by 8 respondents in 6 states. 5 responses from 5 states are at least partially completed for every table. All responses, however, are deficient in finance and enrollment data completeness.

Form 7 is also a data collection form. 26 were noted, none from 14 states. (Neither Form 6 nor Form 7 in 11 states). 4 tables were to be completed by responding agencies, and most did, although only partially. Fiscal information is inadequate, being limited to two years in most instances and noting only the project grant in the majority of responses. Enrollment data are of variable responsiveness, ranging from a complete accounting of all students by achievement level in only one form, to 100% ungraded in about half of the responses, which is perhaps a reasonable representation of the view of grading. Several respondents took the trouble to indicate that since they were not required by the grant rules to keep records in the categories requested in the survey, no data were available, except as given in #149-313 project applications and reports.

Form 8 was completed in 17 site visits, and

Form 9 in all site visits.

The responses to the mail survey have been reviewed by you for coding and processing problems encountered by the previous contractor, and by you and me for the quality of the responses, using a sample which you selected. We jointly reviewed responses that are likely to present ambiguities or judgmental difficulties to clerical coders, and arrived at recommended instructions for the recording which is to take place in house. Responses to the five open-ended questions will be transcribed in full and read for content. This will involve some 700 to 800 mail questionnaires but the qualitative assessment made possible by fuller treatment of these responses should be valuable, although time-consuming.

Notes made by the previous contractor concerning nonresponse may be helpful in the latter stages of the analysis of the mail survey responses. The notes are based on telephone conversations and cover approximately twenty nonrespondents.

The number of nonrecipients found in the sample of mail survey responses, as well as the previous contractor's editing of mail responses for nonrecipients, and of non-responses for the reason of "no grant received", suggests the possibility of a separate analysis, not originally envisaged in the survey plan, to determine whether there is a program management problem at the responsible state agencies, BEM, or both. As you may recall, the sequence of mail survey addressee selection was a) select intended respondents by sample frame criteria from the BEM lists of entitled providers, b) request their addresses from BEM, c) upon being advised by BEM that the address part of the record listing had been discarded, prepare lists for verification and address entry to be sent to the responsible state agencies, d) receive recipients' addresses from the co-sponsor state agencies, including the names of persons to whom the survey was to be mailed, and e) preparation of mailing labels from that listing.

Absent a complete count of the survey addressees, assumed on the basis of the steps described above to have been grant recipients, who turned out to be non-grantees, no quantitatively evaluated argument can be

made concerning the significance of the management information discrepancy, but the question deserves an answer; some light may be shed on this subject by an analysis of the state agencies' responses to the survey questions concerning allocation vs. entitlement. (Some agencies allocate strictly on the basis of AIA entitlement, others redistribute by different criteria).

The information from the survey that is now on hand in the form of interview instruments and spreadsheets can be extracted and interpreted for a qualitative assessment of the points raised in your statement of work. At this time I cannot determine whether the mail survey responses will permit a quantitative analysis of the services provided; the interviews certainly do not. The possibility exists that additional issue-oriented points can be developed from a reanalysis of census and program data, e.g., differential increases in the target populations in states vs. the states' apparent plans to serve them. My preference would be to refer to such global data only when survey data or survey responses do not seem to present a coherent rationale of a purposeful pattern.

The virtual absence of financial information presents a serious obstacle to making a qualitative, soft assessment relevant to program evaluation; most of the impact information comes from persons operating programs or projects and my preliminary perusal of the interviews does not tell me as much about the effect on the intended beneficiaries as I would like in order to make defensible statements about impact and recommendations for policy.

There is adequate information in the interviews to extract a description of PLS9-313 administration at the state level, but I do not yet see the connection between state administration and program impact in measurable terms. Relating the interviewee's statements to the measures developed in the Phase I report should prove useful for analysis, and similarly to the measures of target group and grant program coverage developed in the Wds Statement. At this time I have not been able to make comparisons between responses from schools and agencies in the same state but I certainly expect to do so during the analysis phase of this study.

In both the school and the agency interviews there are comments about the kinds of disabled children and their needs which the respondents state they are or hope to meet, and how these differ from children served prior to the grant program under the PLS9-313 amendment to Title I ESEA. In a similar sense there are rather consistent responses to questions about preferred modes of delivery or service settings and placement. But these observations do not provide adequate information about children excluded from local, state or federally aided programs, and leave one with the vaguely uneasy feeling of having been on an inspection trip arranged by Intourist.

My recommendation for the completion of the study is at this time to proceed in stages roughly as follows. First an administrative or management assessment at the state level, concentrating on topics within that level, i.e., among agencies and with respect to objectives and their implementation. This stage should provide a more thorough familiarization with the quality and consistency or lack thereof of responses on a state by state basis as well as with a better understanding of differences among states and among kinds of agencies.

Second should be the analysis of the mail survey. From that stage should emerge questions for crosschecking with both state and school interview results. Quantitative information, albeit incomplete, from the mail survey

-5-

should provide at least cross indicators of program effect or impact; this may lead to questions of a more demographic nature. If ranges of financial and program estimates can be developed, the very sketchy data from the state agencies could be checked for representativeness and, if suitable, used to profile several state agencies as illustrative of states' responses to the grant.

Third, and building on the increased familiarity with these materials and the nuances of responses, as well as the quantitative profiles of providers, should be the analysis of the responses to the open-ended questions in the mail survey. By then we will be in a position to classify them as well as to refer back to the processed surveys for factors to explain differences and likenesses.

Fourth should be a reexamination of the school or case study visits, including comparison of the mail response to the questionnaire with the interview. A determination will have to be made which of the draft site visit reports should be selected for inclusion in the final report so that editorial plans can be made, i.e., the thrust of the rewriting clarified.

Fifth should be an integration of the descriptions and analyses noted above, and an articulation of the evaluative findings and policy issues that is responsive to the points made in the statement of work.

I would appreciate an opportunity to review the findings and recommendations made in this report with you and to obtain your comments and suggestions so that they may be taken into account in the preparation of the plan of analysis which is due in two weeks.

Submitted for your review and approval.

cc: Dr. A. Maroney

Ms. O. Smith

Chas. Boyle

APPENDIX 11**MEMORANDUM**DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATIONTO : Robert B. Herman
ADCEH

DATE December 9, 1976

FROM : Director
DONDP/OPBE

SUBJECT: Termination of the OPBE Study of the P.L. 89-313 Program

1. As you know, we have had a series of serious problems in our attempts to complete the referenced study. The sequence of events has been as follows:

- a. After award of a contract through competitive procurement, the contractor successfully completed the first phase of the study, i.e., sample design, design of data collection instruments, data collection plan, and analysis plan;
- b. The contractor then collected data and attempted to process it. It became apparent that the contractor could not complete the study in a timely fashion and the decision was made to terminate the contract. OPBE intended to use the data tapes produced by the contractor to analyze the data and report the results of the study using "inhouse" resources;
- c. Upon examining the data tapes, the following was discovered -- (i) The contractor did not collect one type of data which he was obligated to do, (ii) The data tapes produced by the contractor had a 40% error rate, and (iii) it was necessary to go back to the raw data and start from scratch;
- d. OPBE, using HEW/DMC, had the data keypunched, verified, and transcribed to magnetic tapes;
- e. A series of validity checks were run and it was found that -- (i) only 75% of the original sample responded, (ii) of those who responded, about 11% failed to provide data on critical variables thus reducing the useable sample to about 50% of the intended sample size, and (iii) cross-checking of several variables for internal consistency revealed such a low level of reliability that analysis of the data cannot be justified.

2. I am most unhappy at having to inform you that we cannot complete a much needed study. Because of the major a linkage in sample size through nonresponse we do not have a representative sample of the universe of institutions receiving Title I support; because of the marked internal inconsistency of the available data, we cannot justify analysis toward the end of at least looking at the unrepresentative sample.

3. We do have on file some information, e.g., case studies, which may have limited usefulness for you. If you wish, I will turn over these files to you or your designee. Please let me know your desires in this matter.

R.B.H.
Robert J. Maroney

cc: John Evans
Ed Glassman

APPENDIX 16

MEMORANDUM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

DATE: August 5, 1977

TO : Martin LaVer
Senior Legislative Associate
House Committee on Education
and Labor

FROM : Director,
DORHP/OPBE/USOE

SUBJECT: Reasons a Study of the Title I Handicapped Program Has Not Been
Initiated Since September 30, 1974

1. As you know, the contract for an Evaluation of Educational Programs in State-operated and State-supported Schools for Handicapped Children was stopped on September 30, 1974. At that time, the contractor was required to deliver all products produced during the course of the study to USOE. From the materials delivered to you on August 3, 1977, you know that I decided at that time to attempt to complete the study "inhouse". That decision was reached on the assumption that the raw data (in the form of mailed questionnaires) were sufficiently complete to warrant analysis and interpretation. The assumption was made after a visual examination of a random sample of approximately 50 questionnaires out of several hundred.

2. We did not initiate a new study of the P.L. 89-313 study because we assumed we had sufficient data from the first study to meet our and Congressional needs. This assumption was not proven incorrect until November 11, 1976, when we were able to produce preliminary analyses of the data for the first time (computer output substantiating this statement is available in my office).

3. The reason it took so long to obtain this computer output was that we discovered that the data tape delivered to us by Exotech Systems, Inc., was unusable due to keypuncher error. This meant that we had to design key punch formats consistent with our plans for analysis and repunch the data inhouse. Such tasks are normally done by contractor staff; we do not have staffing level sufficient to do this for all of our studies. I felt that these tasks could be accomplished over time by my staff in addition to their normal duties. We expected to accomplish this by November 1975. However, due to delays resulting in part from

Martin LaVor

August 5, 1977

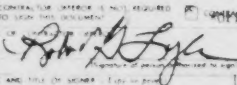
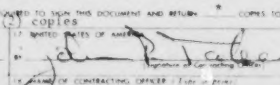
our project having a low priority in our data processing units (I do not control these units nor does Dr. Evans), in part from our inexperience in data processing, and in part from the competing demands on our time, we were unable to produce our first data runs (analyses) until November 11, 1976.

4. Our rationale for not initiating a new study of the Title I Handicapped Program was (a) we thought we had data from which to produce a report in time for this year's hearings, (b) we did not want the money invested in the first study to be a total loss, and (c) we had competing demands for our evaluation dollars, many of which are other legislatively required studies. At the time we discovered the data were inadequate (November 1976), all FY 1977 evaluation resources were committed to other studies. However, on March 9, 1977, a member of my staff proposed to BEH that we initiate a new study of Title I Handicapped. They proposed another study relating to implementation of P.L. 94-142. However, in light of Congressional interest in a study of the Title I program, we have informed the Bureau that we think we must initiate such a study with FY 1978 funds.

Robert J. Maroney
Robert J. Maroney

cc: Albert Alford, OL/USOE
James Lewis, GAO

Contract

STANDARD FORM NO. 100-100 GENERAL REG. NO. 4-171-100-100		AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		PAGE 1 OF 1
AMENDMENT NO. 5		1. EFFECTIVE DATE	2. REQUESTOR PURCHASE REQUEST NO.	3. PROJECT NO. (If applicable)
4. ADMINISTERED BY (If other than NIEC)				
5. ORDER BY DUEW/Office of Education Grants & Procurement Management Division 400 Maryland Ave., S.W., Rm. 1077, POB #b Washington, D.C. 20202				
6. CONTRACTOR NAME AND ADDRESS		7. AMENDMENT OF SOLICITATION/NO.		
Esotech Systems, Inc. 1200 Quince Orchard Boulevard Gaithersburg, Maryland 20760		DATED: (See Block 12) ☒ MODIFICATION OF CONTRACT/ORDER NO. QEC-Q-72-4901 DATED: 6/19/72 (See Block 12)		
8. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS ☐ The above number and description is amended as set forth in Block 12. The hour and date specified for receipt of offers: ☐ is extended ☐ is not extended. (Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation, as amended, for one of the following methods: (a) By signing and returning a copy of this amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By appropriate letter to the person to whom it is submitted, with acknowledgment number. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. (d) By value of this amendment you desire to change an offer already submitted, such change may be made by telegram or other prescribed and approved means. Changes are made in the solicitation and this amendment, and is received prior to the working hour and date specified.				
9. ACCOUNTING AND APPROPRIATION DATA (If required) 7550275 2007475 25.33				
10. THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS (a) ☐ The change is made as set forth in Block 12. (b) ☐ The change is made as set forth in Block 12 and is made to the above numbered contract order. (c) ☒ The above numbered contract order is modified to effect the administrative change, such as change in working hour, appropriation data, etc. set forth in Block 12. (d) ☐ No Amendment/Modification is made to the contract or authority of 41 USC 252(c)(15) and P.L. 89-311. (e) ☐ The above is amended as set forth in Block 12.				
11. DESCRIPTION OF AMENDMENT/ MODIFICATION 1. This Contract is modified to provide additional funds to cover a cost overrun of \$26,496 with no change in the fixed fee. Previous Amendments nos. 364 are corrected and adjusted to show a new total estimated cost and fixed fee as follows: Total Estimated Cost ----- \$298,379.00 Total Fixed Fee ----- 17,410.00 Total Estimated Cost plus Fixed Fee ----- \$315,789.00 2. The period of performance for this Contract is extended from June 30, 1974 to September 30, 1974.				
12. EXCEPT AS PROVIDED HEREIN, NO PART OF THIS DOCUMENT OR THE INFORMATION CONTAINED THEREIN IS TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM.				
13. COPIES TO ISSUING OFFICE ☐ NO COPIES TO ISSUING OFFICE ☒ COPIES TO ISSUING OFFICE				
14. NAME OF CONTRACTOR (Type in print)		15. DATE SIGNED		
 Robert G. Tyler, Vice President		9/5/74		
16. NAME OF CONTRACTING OFFICER (Type in print)		17. DATE SIGNED		
 John R. Taber		9-12-74		

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				Page 1 of 1
1. CONTRACT NUMBER AND DATE		2. EFFECTIVE DATE	3. REQUESTOR PURCHASE REQUEST NO.	4. PROJECT NO. (if applicable)
AMC-77-100-100-100				A0052AA
5. ISSUED BY		6. ADMINISTERED BY (if other than Block 5)		
DND/Office of Education Contracts and Grants Division, 270, Pm, 1077 400 Maryland Avenue, S.E. Washington, D.C. 20002		Frank Cardinale, Contract Specialist		
7. CONTRACTOR NAME AND ADDRESS		8. AMENDMENT OF SOLICITATION NO.		
Robert Westwood, Inc. 1234 Dulles Orchard Boulevard Baltimore, Maryland 20701		DATE: (See Block 9)		
		9. MODIFICATION OF CONTRACT ORDER NO.		
		DEC-0-72-4993		
		DATE: 6/19/72 (See Block 11)		
10. THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS				
☐ The above solicitation is amended in accordance with Block 12. The rules and procedures for receipt of offers ☐ are extended ☐ are not extended. ☐ The above solicitation is amended in accordance with Block 13. The rules and procedures for receipt of offers ☐ are extended ☐ are not extended.				
11. AMENDMENT OF CONTRACT ORDER				
1. This modification will provide additional funds required to complete the vacuum of tank and cover the increase in indirect charges (it) no change in the fixed fee. 2. The contractor will perform the same of work as described in letter of contract 1, 1970, which is made a part of this contract by reference. 3. The total estimated cost is hereby increased by \$54,270, from \$135,014 to \$189,284. The fixed fee remains unchanged at \$17,410. 4. The contractor's indirect cost rates are hereby changed as follows: General Rate 7% Special Rate 82% Other Rate 16% The overhead rate is applicable to total direct labor dollars.				
12. CONTRACTOR'S SIGNATURE AND DATE				
1. NAME OF CONTRACTOR (Print Name) Robert Westwood, Inc. 2. DATE SIGNED 4/25/74 3. NAME OF CONTRACTING OFFICER (Type or Print) Clarence W. Perry 4. DATE SIGNED MAY 19 1974				

STANDARD FORM NO. 347-100 FEDERAL SERVICE ADMINISTRATION (NO. 100-100-100-100)		AMB ENT OF SOLICITATION/MODIFICATION OF CONTRACT		Page 1 of 1
1. AMENDMENT MODIFICATION NO. <u>3</u>		2. EFFECTIVE DATE <u>MAY 31 1973</u>		3. PROVISION PURCHASE REQUEST NO.
4. ISSUED BY DHEW/Office of Education Contracts & Grants Div., RPS, Rm. 1077 400 Maryland Ave., S.W. Washington, D.C. 20202		5. ADMINISTERED BY (If other than block 4)		
6. CONTRACTOR NAME AND ADDRESS Exotek Systems, Inc. 1828 N. Street, S.W. Washington, D.C. 20036 5205 Leesburg Pike, Room 800 Falls Church, VA 22041		7. AMENDMENT OF SOLICITATION NO. DATED (See block 9) MODIFICATION OF CONTRACT-ORDER NO. <u>OEC-0-72-4903</u> DATED <u>6/19/72</u> (See block 11)		
THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS				
8. The above numbered solicitation is amended as set forth in block 12. The reason and date specified for denial of offer: ☐ extended ☐ not extended				
9. By signing and returning this amendment to the solicitation, you acknowledge receipt of this amendment as set forth in block 12. Failure to return this amendment to the solicitation office prior to the hour and date specified may result in rejection of your offer. If no other of the amendment has been to change in the contract submitted, such change may be made by telegram or letter provided such telegram or letter makes reference to the solicitation and this amendment and is received prior to the closing hour and date specified.				
10. ACCORDING AND APPROPRIATION DATA (If required)				
THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS				
11. The Change Order is applied to block 12. The changes set forth in block 12 are made to the above numbered contract order.				
12. The above numbered contract order is modified to reflect the following changes (such as changes in pricing, effort, appropriation data, etc.) set forth in block 12.				
13. The Government agrees to purchase the contract as set forth in block 12. Mutual Agreement				
2. DESCRIPTION OF AMENDMENT/MODIFICATION:				
1. The contract amount is increased to provide funding for the Change Order issued in modification No. 2. Estimated Cost Increased \$13,994.00 to a new total of ----- \$217,604.00 Fixed Fee Increased \$2,720.00 to a new total of ----- <u>17,410.00</u> Estimated Cost Plus Fixed Fee Increased \$36,714.00----- to a new total of ----- \$235,014.00				
2. The period of performance of the contract is extended to April 30, 1974.				
Except as provided herein, all terms and conditions of the document attached in block 8 or applicable (changed, revised, unchanged and in full force and effect).				
14. CONTRACTOR OFFER IS NOT REQUIRED TO SIGN THIS DOCUMENT. ORIGINAL AND COPIES TO ISSUING OFFICE				
15. NAME OR TITLE OF CONTRACTOR <u>Robert G. Ivis</u> Vice President		16. NAME OF CONTRACTING OFFICER (Type or print) <u>Clarence E. Perry</u>		
17. DATE SIGNED <u>5/24/73</u>		18. DATE SIGNED <u>5/31/73</u>		

STANDARD FORM NO. 100 JULY 1966		AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		PAGE	OF
SPECIAL SERVICES ADMINISTRATION HQS. WASH. METRO-ONE STOP 1-16-72				1	2
AMENDMENT/MODIFICATION NO.		1. EFFECTIVE DATE MAY 31 1972	2. SOLICITATION/PURCHASE REQUEST NO.	3. PROJECT NO. (If applicable)	
ISSUED BY DHED/Office of Education Contracts and Grants Division, HDB, Rm. 1077 400 Maryland Avenue, SW. Washington, D. C. 20202		4. ADMINISTERED BY (If other than block 1)		CODE	
CONTRACTOR NAME AND ADDRESS Exotech Systems, Inc. 1828 "L" Street, NW. Washington, D. C. 20036		FACILITY CODE		5. AMENDMENT OF SOLICITATION NO. DATE (See block 9) MODIFICATION OF CONTRACT/ORDER NO. 05C-0-72-4903 DATE 6/19/72 (See block 11)	
THIS BLOCK APPLIES ONLY TO AMENDMENTS OF SOLICITATIONS ☐ The above numbered solicitation is amended as set forth in block 12. The hour and date specified for receipt of offers ☐ is extended ☐ is not extended. ☐ Offers were acknowledged receipt of this amendment prior to the hour and date specified in the solicitation, or as amended by one of the following methods: (a) By signing and returning copies of this amendment. (b) By acknowledging receipt of this amendment on each copy of the offer submitted. (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE ISSUING OFFICE PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. (d) In case of this amendment you desire to change an offer already submitted, such change must be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment and is received prior to the opening hour and date specified. ACCOUNTING AND APPROPRIATION DATA (If required)					
THIS BLOCK APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS (a) ☒ This Change Order is issued pursuant to Article 21, Changes, General Provisions OE Form 5214 The Changes set forth in block 12 are made to the above numbered contract order. (b) ☐ The above numbered contract order is modified to reflect administrative changes, such as changes in paying office, appropriation data, and set forth in block 12. (c) ☐ This Supplemental Agreement is entered into pursuant to authority of _____ It modifies the above numbered contract as set forth in block 12.					
DESCRIPTION OF AMENDMENT/MODIFICATION The Offerors proposal as amended and incorporated into the contract is hereby modified as follows: - The Sampling Design page 49 of amendment #1 of the Technical Dissertation dated June 9, 1972 and contract modification no. 1, dated June 30, 1972, is changed as follows: - The two groups to be studied are (i) those institutions funded in FY 71 and before, and (ii) those institutions funded <u>or</u> designated as eligible for funding in FY 72 and FY 73; - In order to have sufficiently large samples, the sampling frame must be increased from 25 states to 30 states, i.e., five additional site-visits to SEAs must be made; - The Contractor must visit eight additional institutions for case study purposes, i.e., an increase from 40 to 48;					
Signatures of person authorized to sign ☒ CONTRACTOR/ OFFICE IS NOT REQUIRED TO SIGN THIS DOCUMENT. ☐ CONTRACTOR/ OFFICE IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN COPIES TO ISSUING OFFICE NAME OF CONTRACTOR/ OFFICE Signature of person authorized to sign NAME AND TITLE OF SIGNER (Type or print) DATE SIGNED NAME OF CONTRACTING OFFICE (Type or print) DATE SIGNED					

STANDARD FORM NO. 28 (REV. 1-69)		AWARD/CONTRACT		PAGE 1 OF 1	
1. CONTRACT NO. DEC-6-72-4903		2. EFFECTIVE DATE 6-19-72		3. REQUEST FOR PROPOSAL/REQUEST PROJECT NO. E052001	
4. ISSUED BY DHEW/Office of Education Contracts & Grants Division, HPR, 400 Maryland Avenue, S.W. Washington, D.C. 20202		5. ADMINISTERED BY (SEE INSTRUCTIONS)		6. CERTIFIED FOR NATIONAL DEFENSE UNDER BUS REG. 1 AND/OR DMS REG. 1 YES ☐ NO ☐	
7. CONTRACTOR NAME AND ADDRESS Esotech Systems, Inc. 1828 L Street, N.W. Suite 702 Washington, D.C. 20036		8. PAY TO THE ORDER OF (SEE INSTRUCTIONS)		9. DELIVERY TO BE MADE BY ☐ AIR ☐ RAIL ☐ TRUCK ☐ OTHER ☐	
10. SUBMIT PROPOSALS TO (SEE INSTRUCTIONS)		11. PAYMENT WILL BE MADE BY DHEW/Office of Education Finance Division, Fiscal Services Branch 400 Maryland Avenue, S.W. Washington, D.C. 20202		12. SUBMIT PROPOSALS TO (SEE INSTRUCTIONS)	
13. SHIP TO (SEE INSTRUCTIONS)		14. PAYMENT WILL BE MADE BY DHEW/Office of Education Finance Division, Fiscal Services Branch 400 Maryland Avenue, S.W. Washington, D.C. 20202		15. SUBMIT PROPOSALS TO (SEE INSTRUCTIONS)	
16. INITIAL PAYMENT WAS ☒ ADVANCED ☐ NEGOTIATED PURCHASE ORDER		17. PAYMENT WILL BE MADE BY DHEW/Office of Education Finance Division, Fiscal Services Branch 400 Maryland Avenue, S.W. Washington, D.C. 20202		18. SUBMIT PROPOSALS TO (SEE INSTRUCTIONS)	
19. CONTRACTING AGENCY IDENTIFICATION DATA		20. PAYMENT WILL BE MADE BY DHEW/Office of Education Finance Division, Fiscal Services Branch 400 Maryland Avenue, S.W. Washington, D.C. 20202		21. SUBMIT PROPOSALS TO (SEE INSTRUCTIONS)	
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STANDARD FORM 33 NOV 1958 GENERAL SERVICES ADMINISTRATION FORM NO. 33 (REV. 1-18-72)		SOLICITATION, OFFER, AND AWARD		1. CERTIFIED FOR NATIONAL DEFENSE UNDER NSA-MC 2 AND/OR DMT-MC 1		3. PAGE 1 OF 14	
2. CONTROL (Proc. Inv. Form 100)		3. SOLICITATION NO. RPP-72-43		4. DATE (MM/DD) 4/19/72		5. REQUISITION PURCHASE REQUEST NO.	
6. ISSUED BY DHEW/Office of Education Contracts and Grants Division, HPR, Rm. 1077 400 Maryland Avenue, SW, Washington, D. C. 20202		7. ADVERTISED ☐ OPEN ☒ LIMITED ☐ RFP		8. ADDRESS OFFER TO (If other than Block 6) Mark Proposal Envelope in Lower Left Corner RPP-72-43			

9. SPECIAL OFFER (If original and not a copy, then the supplier or service described in the Schedule will be received at the place specified in Block 6. If HAND CARRIED IN THE COUNTRY OF ORIGIN, Room 1077, 400 Maryland Avenue, SW, D.C., 20540, by 12:00 PM, 27 May 1972. If this is an advertised solicitation, offers will be publicly opened at the time, place, and date.)	
10. CAL TUBS - LATE OFFERS See part 8 of Solicitation Instructions and Conditions	
11. OFFERS are subject to the following: a. The cost plus percentage fee schedule and conditions, SF 15-A. b. The contract provisions, SF 33, and conditions, which are attached as an unperfected letter to the offer. c. The contract provisions, SF 33, and conditions, which are attached as an unperfected letter to the offer.	
12. IF OTHER THAN THE AEC (Name and Address See the instructions)	

SCHEDULE					
ITEM NO.	SUPPLIES SERVICES	12. QUANTITY	13. UNIT	14. UNIT PRICE	15. AMOUNT
COST PLUS FIXED FEE CONTRACT					
1.	Evaluation of Educational Programs in State-Operated and State-Supported Schools for Handicapped Children Phase I.				
2.	Same as above Phase II				
By submission of this offer, the offeror agrees to comply with the attached "Certification of Nonsegregated Facilities". *See Article 16, Proposal Requirements.					

16. OFFER (NOTE: Receipt Must Also Be Fully Completed By Offeror)			
17. I agree with the above (the undersigned offeror agrees if this offer is accepted within _____ calendar days (add calendar days unless a different period is specified by the offeror) from the date (or range of dates) specified above to furnish and/or all items upon which prices are offered, at the price (or prices) for each item (delivered at the designated point(s)) within the time specified in the Schedule.			
18. DELIVERY AND PAYMENT (See Part 8 of SF 33-A)			
19. OFFEROR NAME & ADDRESS Exotech Systems, Inc. 1828 L Street, N.W., Suite 702 Washington, D.C. 20036 (202) 296-1935		20. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or Print) Oliver Bryk Vice President <i>Oliver Bryk</i> 20. OFFER DATE 5/17/72	

21. AWARD (To Be Completed By Government)			
22. ACCEPTED AT (If item numbered)		23. AMOUNT (If)	
24. SUBMIT (If copy of offer is submitted to address specified in Block 6)		25. NEGOTIATED ☐ YES ☒ NO (If YES, specify date)	
26. ADMINISTERED BY (If other than Block 6)		27. PAYMENT (If) BY (Name of) DHEW/Office of Education Finance Division, Fiscal Services Br. 400 Maryland Avenue, SW, Washington, D. C. 20202	
28. NAME & ADDRESS (If other than Block 6) Robert H. Baumgardner		29. OFFER DATE 5/17/72	

30. 31. 32. (These blocks are to be completed by the offeror on a separate form and are not to be included in this offer.)

On August 29, 1977, this explanation was submitted to the Committee by the Office of Education:

EXOTEC, like all profit making organizations, figures its overhead rate as a percentage of direct salaries only. The quoted rate of 119 percent is in the normal range—profit making organizations' overhead rates typically run between 100 and 125 percent.

Non-profit organizations, on the other hand, figure their overhead rates as percentages of total costs. Their overhead rates are thus typically 20-25 percent.

Overhead rates in the abstract mean nothing. We must know how they're figured and what percentage they are of total costs to make any kind of judgment. Usually, profits and non profits come out pretty close when we look at overhead rates in terms of total dollars. For the EXOTEC contract, for example, the overhead rate was 30 percent of the total contract cost of \$318,641. In fact the 119 percent rate was only for one year. For the entire contract the overhead payment was \$95,237, or 73 percent of the total labor charges of \$130,692.

Overhead rates for all organizations with which the government contracts are set through negotiations by various Federal audit groups, the largest of which is the Defense Contract Audit Agency. We at OE must use the set overhead rate for each organization with which we contract—we have no latitude whatsoever to negotiate the overhead rate set by the cognizant audit agency.

PART VIII

CALIFORNIA STATE DEPARTMENT OF HEALTH

"ANNUAL EVALUATION REPORT"

As part of the review of available information a copy of the "Annual Evaluation Report - 1975-1976" done by the California Health and Welfare Agency, State Department was attained. This evaluation was done by the state agency itself and contains an extensive statistical analysis of the individuals served by that agency. In it the agency did an analysis of the population served and reported the disability severity and ethnic origin of those served (See attached Tables #1 and #2). In addition, they broke down the amount of time personnel worked with each. (See Table #5).

That evaluation is noted in this report because if the Committee staff has correctly analyzed the statistics, questions must be raised about the extent to which professional educators actually work with mentally disabled and developmentally disabled individuals in state institutions in California. If the concerns are valid for California then the findings may reflect how state institutions serve the populations throughout the nation. If the analysis of the data is correctly interpreted, then it raises doubt as to the manner in which 89-313 are spent.

The figures noted in this report are that for a total of 2,170 developmentally disabled individuals, there are only 28 full time and 39 part time "teachers" listed, while for the same population there are only 2 full time and 1 3/4 time teacher listed under 89-313. Dividing the 28 full time "teachers" into 2,170, the pupil-teacher ratio is 77.5 to 1. Adding the full and part time teachers together and dividing that figure, the ratio is 32.4 to 1.

Considering that the pupil-teacher ratio in the State of California is comparable, disabled children throughout the state is 12 or 15 to 1, it is difficult to explain why the classes at the state institutions do not have more "teachers."

One possible explanation comes from a further review of the figures for the developmentally disabled. The charts indicate that there were 105 full time and 24 3/4 time "instructional aides" overall and that under the 89-313-portion there were 92 full time "instructional aides" and 12 part time.

Similar statistics are reflected for the mentally disabled. Table 2 shows a total of 1,274 were actually served and that there were only 16 full time and 42 3/4 time "teachers". Under the 313 listing there were only 2 3/4 time teachers listed for this population. This leaves full time pupil-teacher ratio of 79.6 to one. When the full time and part time teachers are divided into the total population, however, the figures are 22 to 1.

The figures for the mentally disabled indicate that there are 12 full time "instructional aides" and 37 part time for the program and 12 are listed under 89-313 with 29 part time. It is significant to note that there were 102 full time "health personnel" reported for the overall program and that there were no full time teachers listed under 89-313 serving the mentally disabled.

In preparing this section an attempt was made to get an explanation as to the validity of the interpretation. On July 26 a telephone request was made to Mr. Bill Elko, Supervisor of the California Department of Health, Compensatory Education (the unit that did the study) to supply copies of 89-313 projects submitted by participant state institutions. He sent 10 of the state hospital project proposals.

In attempting to verify the interpretation listed above, the material could not be used. The Annual Evaluation Report was for 1975-1976, the projects sent by Mr. Elko were for 1977-1978.

In reviewing the projects that were submitted, however, there was great difficulty in even understanding the information that was put on each application. Possibly there is an adequate explanation for the discrepancies, but none the less to one unfamiliar with the format the information was confusing.

For example, Agnew State Hospital lists:

- 5 Teachers (state)
- 1 Teacher (Compensatory Education)
- 1 Teacher (deaf-blind)

It appears that these 7 teachers work with 716 (state) students and 234 (compensatory) students. In spite of a listing of a teacher for the deaf/blind, there were no deaf/blind students listed. Unless there is more information that is available

to explain the pupil-teacher ratio, from the information available in reviewing the project application, it appears that it is 950 students with 7 teachers or a ratio of 135.7 to 1. It is not clear from the report as to how many hours per day the children in Agnew State Hospital spend in the classroom. It is not clear how much time the teachers listed spend with each pupil.

The Chart, "Educational Services Organization Chart" is attached illustrates the problems in interpreting teacher-time and students served for Agnew State Hospital.

The summary of all of the State Hospitals are reflected on a master chart entitled "District Education Services Organization Chart". The programs, the teachers, the assistants, and the students are listed on that chart and it is attached.

It should be clearly understood that these particular programs are not highlighted in this report for any particular reason other than to illustrate the difficulty in analyzing data available as well as the questions which seem apparent when reviewing available information.

District Code 90-10643-01-53316

California Health & Welfare Agency
 State Department of Health
 24th F Street
 Sacramento, CA 95814

Telephone: (916) 488-2923

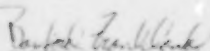
ANNUAL EVALUATION REPORT
 PROGRAM INFORMATION

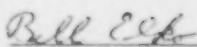
1975-76

(Public Law 69-313, Amendment of Title I)
 Elementary and Secondary Education Act

Jerome A. Lackner, M.D.
 Director
 Department of Health

Don Z. Miller
 Deputy Director
 Treatment Services Division


 Benford Frankland, Chief
 Hospital Support and Operations


 Bill Elko, Supervisor
 Compensatory Education Unit

I hereby certify that to the best of my knowledge, the information contained in this Annual Evaluation Report is correct and complete.

May 2, 1977
 Date

May 2, 1977
 Date

Prepared by: Compensatory Education Staff

Darrell D. Cockerill
 Consultant
 Compensatory Education Unit

Margo Kangas
 Secretary
 Compensatory Education Unit

Constance J. Bourne
 Consultant
 Compensatory Education

Jean King
 Secretary
 Compensatory Education Unit

TABLE 1. DEVELOPMENTALLY DISABLED DESCRIPTIVE STATISTICS

Projects for the Developmentally Disabled	Number Reported	SECTION I						SECTION II								SEC- TION III	SECTION IV										SEC- TION V
		PRIMARY DISORDER ¹						SECONDARY DISORDER ¹								AGE	ETHNIC ORIGIN ¹										MISCEL- LANEOUS
		Profound	Severe	Moderate	Mild	Borderline	Other	None	Vision	Hearing	Deaf Blind	Mental Retardation	Amplolatory	Neurological	Other		Avg. Age	American Indian	Black	Caucasian	Chinese	East Indian	Filipino	Japanese	Spanish	Other	
Agnew	90	13.3	42.4	23.3	12.8	2.2	0	86.8	4.4	1.1	0	0	4.4	3.3	0	18.2	0	6.6	78.9	1.1	0	1.1	1.1	11.2	0	2.9	1.6
Camarillo	107	21.4	26.2	16.8	22.4	11.2	0	75.8	0	13.1	4.7	1.8	.9	0	3.7	17.1	0	9.3	69.3	1.8	0	0	0	19.6	0	3.4	2.7
Fairview	307	52.3	34.0	11.8	1.7	.2	0	34.4	10.5	2.5	5.5	2.0	19.3	12.5	13.3	14.8	0	7.1	78.7	.3	.5	.8	11.8	.5	7.7	2.7	
Napa	75	54.8	29.3	13.3	2.6	0	0	78.7	13.3	0	2.7	0	4.0	1.3	0	18.9	0	12.0	80.1	0	0	0	0	5.3	2.6	3.9	3.3
Pacific	302	48.6	28.9	8.2	3.5	0	0	27.8	8.8	8.0	3.0	1.6	14.0	23.9	12.9	15.2	.5	6.9	74.5	.8	.3	.5	15.2	1.3	7.9	2.1	
Patton	54	16.7	24.1	33.1	14.8	11.1	0	55.6	3.7	0	0	0	25.9	0	14.8	19.1	0	24.1	64.8	0	0	0	0	11.1	0	2.2	2.2
Porterville	378	51.2	30.1	14.0	3.7	.5	0	27.4	10.0	2.3	1.0	2.9	32.7	18.2	5.5	15.3	.7	5.0	72.4	.3	0	1.0	20.6	0	8.0	2.1	
Soloma	448	60.7	33.2	5.5	.6	0	0	51.5	11.1	5.3	.6	.2	12.2	16.9	2.2	15.4	.7	8.9	84.7	1.1	0	.2	.4	3.1	.9	8.9	2.3
2nd	259	18.1	31.9	22.0	18.9	8.8	.3	78.5	8.3	1.1	1.1	.7	5.0	3.8	1.5	18.1	3	10.8	72.7	1.2	0	1.2	0	13.8	0	3.6	2.1
Total	2,170	45.3	33.2	12.8	6.3	2.1	.3	47.2	9.1	4.1	2.3	1.3	15.8	13.5	6.7	16.0	.4	8.2	76.7	.7	.1	.3	.5	12.6	.5	6.0	2.3

¹ Reported in percentages

TABLE 2. MENTALLY DISABLED DESCRIPTIVE STATISTICS

Projects for the Mentally Disabled	Actual Number	SECTION I						SECTION II								SECTION III	SECTION IV								SECTION V	
		PRIMARY DISORDER ¹						SECONDARY DISORDER ¹								AGE	ETHNIC ORIGIN ¹								MISCEL- LANEOUS	
		Emotionally Disturbed	Autistic	Psychotic	Substance Abuse	Behavioral	Other	None	Vision	Hearing	Deaf-Blind	Metabolic	Ambulation	Neurological	Other	Avg. Age	American Indian	Black	Caucasian	Chinese	Filipino	Japanese	Spanish	Other	Years in Hospital	Years in Comp. Ed.
Atascadero	52	100.0	0	0	0	0	0	100.0	0	0	0	0	0	0	0	19.2	1.9	26.9	57.7	0	0	0	13.5	0	1.2	1.1
Camarillo	300	2.0	35.7	18.0	10.3	34.0	0	98.0	0	1.6	.4	0	0	0	0	15.3	0	16.3	74.5	.3	0	.6	8.0	0	2.5	2.0
Metropolitan	131	48.8	0	0	0	51.2	0	100.0	0	0	0	0	0	0	0	16.3	1.5	14.5	70.2	8	0	0	13.0	0	1.1	1.1
Napa	716	17.5	3.7	54.6	.4	22.7	1.1	91.5	.8	.9	0	.1	.1	5.8	.8	18.1	.3	16.2	72.4	.7	1.3	.1	8.2	.8	1.4	1.2
Patton	62	100.0	0	0	0	0	0	98.4	1.6	0	0	0	0	0	0	19.1	0	24.2	67.7	0	0	0	8.1	0	1.1	1.1
Stockton	13	15.4	53.8	0	15.4	15.4	15.4	100.0	0	0	0	0	0	0	0	19.6	0	7.7	92.3	0	0	0	0	0	4.8	3.0
Total	1,274	24.3	10.6	35.6	2.6	26.2	.7	94.7	.5	.9	.1	.1	.1	3.2	.4	19.5	.3	17.0	72.1	.5	.7	.2	8.7	.5	1.9	1.4

¹ Reported in percentages

TABLE 5. TOTAL STAFF BY AMOUNT OF TIME

	DEVELOPMENTALLY DISABLED								MENTALLY DISABLED								COMMUNITY PROJECTS							
	Total Staff By Amount Of Time				Title I P.L. 89-313 Staff By Amt. Of Time				Total Staff By Amount Of Time				Title I P. L. 89-313 Staff By Amt. Of Time				Total Staff By Amount Of Time				Title I Staff By Amount of Time			
	100%	75%	50%	25%	100%	75%	50%	25%	100%	75%	50%	25%	100%	75%	50%	25%	100%	75%	50%	25%	100%	75%	50%	25%
Aide, Instructional Counselor	105	24		1	92	10	2		12	37			12	22	9		7		1	1	8			
Program Evaluator		1		4						1	1	8					2			1				
Health Personnel			1	140					102			3					1		2	3				
Office Personnel	1	3	1	12		2	2		3		1	1		1	1				1	6				
Principal/Vice-Principal		2		1					1	2	1	1							1	6				
Psychologist			4	15					4			5							1	9			4	
Psychometrist										1									1					
Resource Personnel				6							1									5				
Specialist			2	18												1				5			3	
Social Worker			3	17						1		8						1	1	6				
Speech Therapist		1		3						7		3					3	2	2	8	1	1	1	
Teacher	28	24	3	7	2	1			16	42			2				5	1	4	5	1		1	
Tutor				1							10								1	2				
Volunteers		12	1	6		12			2	3		3					1	9	1	3				
Family Grandparents		1	112	1																				

DISTRICT STATE HOSPITAL
EDUCATION SERVICES ORGANIZATION CHART

	Total Positions	PROGRAM ARITHMETIC		PROGRAM ADAPTATION		PROGRAM CANTABRINO		PROGRAM PAIRVILLE		PROGRAM NADA		PROGRAM PACIFIC	
		# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21
<u>TEACHERS</u>													
State	150.50	6		2	4	36		17		30		14.5	4
Comp. Ed.	2.5	1										1.5	
L.O.C.	16	1								6		1	
Deaf/Blind	5							1					
<u>TEACHING ASSISTANTS</u>													
State	7	1				2						2	
Comp. Ed.	110.75	1.5		2		10.75		12		20		16	
L.O.C.	11.20							10.0					
Deaf/Blind	10							6					
<u>STUDENTS</u>													
State	1720	716		95				196					
Comp. Ed.	1043	254		25		241		252		350		500	
Deaf/Blind	270					27		42				20	
<u>OTHER POSITIONS</u>													

DISTRICT STATE HOSPITAL
EDUCATION SERVICES ORGANIZATION CHART

	Total Positions	PROGRAM DAYTON		PROGRAM MONTICELLO		PROGRAM SONOMA		PROGRAM STOCKTON		PROGRAM		PROGRAM	
		# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21
<u>CHIPS</u>													
State		6		10		25		6					
Comp. Ed.													
L.O.C.				5		1		4					
Deaf/Blind				1		2		1					
<u>CHIPS</u>													
<u>STOCKTON</u>													
State								2					
Comp. Ed.		6		11		25		2					
L.O.C.						1		1					
Deaf/Blind				2		2		1					
<u>CHIPS</u>													
State		16		121		295							
Comp. Ed.		216		210		198		167					
Deaf/Blind				10		50		12					
<u>HR. POSITIONS</u>													

ADMINISTRATIVE SERVICES ORGANIZATION CHART

	Total Positions	PROGRAM 1		PROGRAM 5		PROGRAM 6		PROGRAM 7	
		# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21
<u>TEACHERS</u>									
State	2	1/2	10%	0		1/2	20%	1	70%
Comp. Ed.	1	0		0		0		1	100%
L.O.C.	0	0		0		0		0	
Deaf/Blind	0	0		0		0		0	
<u>TEACHING ASSISTANTS</u>									
State	0	0		0		0		0	
Comp. Ed.	1	0		0		0		1	100%
L.O.C.	0	0		0		0		0	
Deaf/Blind	0	0		0		0		0	
<u>STUDENTS</u>									
State	360	74		14		148		121	
Comp. Ed.	189	27		62		52		18	
L.O.C.	0	0		0		0		0	
Deaf/Blind	0	0		0		0		0	
	549	101		76		200		139	
<u>OTHER POSITIONS</u>									
Developmental Specialist									
L.O.C.	7	0		3		1		3	

ADULTS STATE HOSPITAL
EDUCATION SERVICES ORGANIZATION CHART

	Total Positions	PROGRAM 8		PROGRAM 9		PROGRAM 10		PROGRAM Facility-Wide Allocation	
		# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21	# of Positions	Hrs. spent w/under 21
<u>TEACHERS</u>									
State	3	1	25	1	25	0		1	
Comp. Ed.	0	0		0		0		0	
L.O.C.	1	0		0		0		1	
Deaf/Blind	0	0		0		0		0	
<u>TEACHING ASSISTANTS</u>									
State	1	0		0		1	25		
Comp. Ed.	1/2	0		1/2	100%	0			
L.O.C.	0	1		0		0			
Deaf/Blind	0	0		0		0			
<u>STENOGRAPHERS</u>									
State	356	136		137		83			
Comp. Ed.	45	5		10		7			
Deaf/Blind	0	0		0		0			
	401	141		147		90			
<u>OTHER PERSONNEL</u>									
Developmental Specialist									
L.O.C.	11	4		4		3			
Speech Pathologist									
L.O.C.	1							1	

APPENDIX 4



THE CONFERENCE OF EXECUTIVES OF AMERICAN SCHOOLS FOR THE DEAF, Inc.

AN ASSOCIATION OF SCHOOLS AND EDUCATIONAL PROGRAMS FOR THE DEAF

National Office
2024 Wisconsin Avenue, N.W.
Washington, D. C. 20016

September 30, 1977

Telephone
202/462-1287

The Honorable Carl D. Perkins
Chairman
Subcommittee on Select Education
Committee on Education and Labor
House of Representatives
Room B346C
Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Perkins and Members of the Subcommittee:

The following comments are submitted as written testimony in connection with your hearing of October 4, 1977, related to Public Law 89-313, provisions for state operated and supported programs for the handicapped. Our position is summarized as follows:

- 1) The CEASD position is that P.L. 89-313 has had a tremendous impact on the level of supportive and related services benefiting students enrolled in state operated and supported programs for the deaf. In 1967, the CEASD officially recognized the value of the 89-313 program by resolution. Nothing in the intervening 10 years has occurred to change that strong view.
- 2) Elimination of the 89-313 program would have devastating effects on the educational programs currently provided by state operated and supported programs for the deaf.
- 3) We are concerned that combination of the 89-313 and 94-142 programs will result in a diminution of needed services to students enrolled in state operated programs for the deaf.
- 4) We believe that the 89-313 program should be retained essentially as is. Specifying more clearly the intent of 89-313, Title I would be helpful to all, but guidelines should not be established in a way that prevents varied state operated programs from responding to their unique needs and priorities.

The Conference of Executives of American Schools for the Deaf is an organization of member schools and programs which provide services to the deaf. A large majority of schools and programs for the deaf which are recipients of funds under Public Law 89-313 provisions for the handicapped are members of this organization.

An International Organization Promoting Comprehensive Education for the Deaf

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The April, 1977, issue of the journal, American Annals of the Deaf, tabulated financial information on state supported residential programs for the deaf in the United States. Of the 59 schools reporting, 55 indicated that they were recipients of Title I (89-313) funds as of October 1, 1976. Fifty-four of the 55 schools reporting are active member schools of the Conference of Executives of American Schools for the Deaf.

Numerous non-residential programs for the deaf are recipients of Title I funds but we do not have easily accessible information for them. The American Annals of the Deaf data indicate that Title I funds account for approximately six percent of the total expenditures of the reporting schools. The schools reporting Title I funds range in size of school population from 50 to 799. The per capita costs of education ranges from \$4,637 to \$10,263 per year. The raw financial impact of Title I monies of these program budgets is highlighted when it is recognized that total expenditure of figures includes amounts expended for non-instructional services including residence program costs and capital outlay. If such non-instructional costs were factored out, Title I funds could be equivalent to or greater than 10 percent of the instructional costs of reporting schools. Title I funds received by the reporting schools range from \$18,566 to \$425,429 with an average per pupil expenditure of \$502.

In comparing reported information as of October, 1976, with information reported as of October, 1973, for a 20 percent sample of these programs, it appears that there is a constant or slightly decreasing ratio of Title I funds to total expenditures even though the per capita expenditure of Title I funds has increased during that four year period by approximately 20 percent. This increase compares favorably with the overall appropriations of Title I funds. The student population reflected in the above sample of schools has tended to decrease slightly during the four year period to which we refer.

It is our understanding that the intent of the Public Law 89-313 Title I program for state operated and supported programs is primarily focused on the improvement of the quality of educational services for handicapped students. Funds from Title I, 89-313, have permitted the introduction of a variety of innovative programs in schools for the deaf which we believe would not have occurred without the stimulus of the Act. The following list of programs and services established in two selected schools for the deaf were repeated across the country in other schools for the deaf which are recipients of Title I funds:

Types of Services Stimulated by Title I Funds

(a) Provision of

- (1) Full time psychological services
- (2) Part-time personnel for a movement dance program
- (3) Services for students with psychomotor problems

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- (b) Establishment and expansion of
 - (1) Audio-visual support services and materials
 - (2) Counseling program for parents of preschool students
 - (3) Social services program for students
 - (4) Resource room instructional program
- (c) Expansion of
 - (1) Printing instructional program as part of vocational training
 - (2) Library services
- (d) Establishment of
 - (1) A professional library
 - (2) Career education services
 - (3) Mathematics laboratory program
 - (4) Lending library for parents
 - (5) Special classes for deaf students with additional handicapped conditions
 - (6) New art program components
 - (7) Work study program development
 - (8) Workshop and discussion groups for parents
 - (9) Individualized summer school programs
 - (10) Short term institutes for parents
- (e) Development of curricula
 - (1) Music
 - (2) Language skills
 - (3) Life skills

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(f) Provision for

- (1) Teacher aides to facilitate individualized programming
- (2) School transportation to facilitate student/community interaction
- (3) Test materials for program evaluation
- (4) Consultants for program improvement in map skills, science, arts, language, child care techniques, and dental health

The above range and types of services utilizing Title I monies included certain one-time expenditures which do not require continuing maintenance. Others, particularly those which are dependent upon additional manpower, do require on-going expenditure of funds to assure the continuation of satisfactory services.

CONCERNS

The following material is an attempt to focus on some of the concerns that member organizations of the Conference of Executives of American Schools for the Deaf have:

1. Is there a continuing need for supplemental funding to enhance programs in the state operated schools for the deaf?

An initial need was recognized by the Congress in passing the 89-313 amendment. The need was again recognized in Public Law 94-142 which encourages states to improve educational services in state operated residential programs but no direct financial incentive is provided. Many of the state operated programs for the deaf are primarily residential but also provide day programming for some students. Given the impact of Public Law 94-142 of the development of alternative programs for hearing impaired students, it is clear to professionals within the field of education for the deaf that the state operated residential schools must undergo a change in role in order to function in a complementary way within the overall structure of state educational services for the deaf. Two of the trends affecting state residential schools for the deaf are the reduction in student enrollment and a change in the characteristics of the population served. Students in such schools tend to be older in average age than in the past and there is an increasing proportion of multiply handicapped students. There is some evidence that a significant reduction in student population will occur as more deaf students are educated in local programs which may have few or no supportive services. The state schools must become a resource to local programs.

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The provisions for the least restrictive placement under P.L. 93-380 and P.L. 94-142 would result in students being placed in residential facilities for the deaf, and other handicapping conditions, because they require more comprehensive and specialized services. It might be assumed therefore that the costs of their education and related services are and should be higher. If so, it would appear to be significant that there should be disproportionately higher levels of federal per capita support to these residential facilities to insure an educational program appropriate for the students' needs.

In times of change schools need added resources per capita to effect the development of new roles and innovative services within the state. For further insight, we have attached a publication of the Conference of Executives of American Schools for the Deaf and specifically refer you to the article by Dr. Barry Griffing.

The Conference of Executives of American Schools for the Deaf believes there is a continuing need for supplementary support to state operated programs for the deaf in order to provide innovative services which are not generally provided by the states as a part of a basic educational program. These services include parent guidance, audio-visual support services, social services, inservice education of teachers, institutes for parents, utilization of teacher aides, etc.

2. What would be the result of termination of P.L. 89-313 supplemental funding?

The elimination of 89-313 funding would require drastic cutbacks in areas of service that are believed to be critical. Examples given include psychological services, media and materials services and health related services.

While there are certain examples of states assuming funding responsibility for Title I initiated programs, our member representatives contacted indicated a belief that the states would not pick up a significant amount of these programs if 89-313 funds were withdrawn.

3. Should there be more rigorous guidelines for use of Title I (89-313) funds?

State operated and supported programs for the handicapped are heterogeneous in nature. Some were established primarily to provide custodial services; others, including residential schools for the deaf, have been operated solely for educational purposes. Furthermore, state operated and supported programs for the deaf are not homogeneous. They include both residential and day program facilities. They vary in level of sophistication in support of services and programs as well as in the range of curricular offerings available. They also vary in the pattern of alternative

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educational services which they must complement within the state and the geographic and demographic characteristics of their service area.

Because of these variations the priorities for program improvement can be expected to vary from school to school.

While it may be desirable to establish requirements for greater accountability in terms of both program focus and financial control for the Title I funds, this should not be achieved at the expense of the required conformity which does not permit schools to address their priorities.

It is our opinion that guidelines should not be established which limit these funds to specified curricular areas or specified supportive or related service areas.

4. Should the Title I (89-313) be combined with the Public Law 94-142?

Our respondents repeatedly expressed the concern that any combination of 89-313 with the Public Law 94-142 program may be detrimental to the handicapped students currently benefiting from the Title I (89-313) program.

The initial funding levels under Public Law 94-142 in no way compare to the present levels of funding under 89-313. The expectation for initial 94-142 funding is \$50 to \$70 per handicapped student with priorities for expenditures within the state established for (1) provision of services to handicapped students not presently being served and (2) provision of services to students with the most severe handicaps who are presently receiving inadequate education. It is conceivable on the basis of the two priorities established that schools for the deaf could receive less than the proposed \$50 to \$70 per pupil. Since the 1977 average per pupil expenditure of 89-313 funds of mamber schools reporting was \$502, a loss of those funds would have significant impact on the educational programs for students in these schools.

If funds from 89-313 are allocated to 94-142, there may be pressure in Congress to consider those funds as a part of the scheduled increment in the level of funding under 94-142.

If the 89-313 funds were somehow shifted to Public Law 94-142 as a discrete pool of dollars with the stipulation that current 89-313 per capita levels be maintained, it would appear to highlight the discrepant funding levels making it more difficult to maintain current levels of support to state operated programs than if the programs are, for the present time, maintained separately.

It is probable that at some point in the future, if Public Law 94-142 appropriations increase significantly, they will approximate the 89-313 levels of funding. At such time it may be appropriate to consider combining the two authorities.

Respectfully submitted,

Hubert D. Summers

Hubert D. Summers
Executive Director

HDS:fd

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION

Date: October 13, 1977
Reply to
Attn of: Deputy Commissioner
Bureau of Education for the Handicapped
Subject:
To: Mr. Jack Jennings, Education and Labor Committee
House of Representatives

Jack, I thought you might like to have this letter regarding 313 for the record. It replies to GAO comments concerning Washington State.


Ed Martin



Superintendent of Public Instruction

DR. FRANK B. BROUILLET · OLD CAPITOL BLDG., OLYMPIA, WASH. 98504



September 30, 1977

Dr. Kayte M. Fears, State Plan Officer
Aid to States Branch
Bureau of Education for the Handicapped
U. S. Office of Education
Room 4848 Donohue Bldg.
400 Maryland Avenue S.W.
Washington, D.C. 20202

Dear Dr. Fears:

In our recent telephone conversation you asked for some additional information concerning comments about the use of 89-313 funds to serve handicapped children who are institutionalized. The concerns stemmed from three different issues; one regarding the language development class at Rainier School, a comment by the principal of the institution that 313 funds are used for the development of skills which are basic to the student, and institutions desire to send 75 children to a summer camp in Oregon. The first two comments concerning the use of 89-313 funds to provide for the basic needs of students and as such are not supplementary, are incorrect.

Washington State has provided a greater amount of state funds each year to the institutionalized population. On a dollar basis, the 313 funds are indeed supplementary. On a program basis the funds have been used to secure the services of a greater number of personnel. The effects of having a greater number of teachers, for instance, is that each teacher's caseload can be reduced. This allows more time for essential activities with each child on a daily basis.

Improving the teacher-pupil caseload is an excellent and programmatically appropriate use of 313 funds. All children benefit. The teacher can do more things with children as the curriculum is expanded. The expanded curriculum results in greater progress on the child's behalf throughout a wider spectrum of important activities. This certainly is supplementing the educational program for the individual child.

The federal requirement for 313 calls for a 180-day program as a minimum. In programs operated by the Superintendent of Public Instruction, all institutionalized handicapped children have been provided a 220-day program at state expense. This additional 40 days completes the full program for children receiving 24-hour-a-day residential care. The 313 monies are used throughout this 220-day period to provide additional personnel and thus increase the type and range of services for this prolonged period.

The comment made in testimony saying that students were sent to a summer camp in Oregon must be considered in the light that these children were from the Washington State School for the Deaf operated by a different agency, the Department of Social

Dr. Kayte M. Fearn
September 30, 1977
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and Health Services. This department only operates a 180-day program and the use of 313 funds was to provide an opportunity for deaf children to increase their speech and language skills by being with hearing children during a time when their deaf school was not in session. This happened only one year and will not reoccur, although the basis for such an activity is educationally sound, especially in regard to an institution which has only one kind of handicapping condition, such as deafness. In this manner the children have greater exposure to less restrictive educational settings. The reason that this will not happen again is not because it isn't educationally sound, but I will not approve any activity which has any potential to do harm to the rest of the program because the activity is lifted out of its educational context and criticized. Thoughtless or uninformed criticism puts entire programs in jeopardy no matter how good the other portions of the program might be.

It must also be remembered that by and large, handicapped children do not have the same opportunities for social contacts as do normal children. Normal children can play after school with their peers. Handicapped children have to have something organized or structured for them to be able to participate in a "normal" event like talking, playing and going to summer camp. The use of 313 funds for a structured social/recreational event is only a misuse of public funds in the eyes of persons who do not understand that normal activities for the handicapped and normal activities for other children cannot be easily compared.

Sometimes I feel that a misconception is evidenced between program persons and fiscal auditors. The misconception is that in the operation of special education programs, in or out of institutions, that there are basic instructional activities the staff completes and supplemental activities. The logic further incorrectly identifies a requirement for state funding of those basic activities and a federal funding of those supplemental activities.

Programs do not work that way. Virtually all activities in special education are basic to the child's needs. This is especially true in those instances where the child has a severe handicapping condition. The training in speech and language development, self-help skills, etc. are the substance of the program content.

These basic activities are supplemented with additional personnel hired with federal funds and these persons are supplemental to the basic program for the child, not persons to work on something called supplemental activities which are somehow only remotely related to the child's needs.

It sometimes seems that when we use supplemental monies, like 89-313 or 94-142 funds, to do something important for the child, we are criticized. It's as if the additional federal funds should be spent on something the child doesn't really need just as long as it is supplemental to a state funded basic program.

In this state, good, honest and dedicated persons who work with children who have handicapping conditions on a face to face, day by day, and year by year basis make the decisions about the expenditures of federal funds. There are no casual decisions made in the life of a severely involved handicapped child or any other child for that matter. The federal rules and regulations governing expenditures

Dr. Kayte M. Pearn
September 30, 1977
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are thoughtfully in our minds throughout every decision point. But, after all, we do have first-hand information as to the needs of our children and do have some experience in appropriate programming. Basically, we always extend to the child those services which are sorely needed. If we do not have enough state funds for the proper number of teachers, then we buy "supplemental" teachers. If we do not have enough aides, we buy "supplemental" aides and so on throughout the list of priority needs. If a child needs a socializing experience to try out his newly acquired skills and to firmly establish correct speech and language patterns, then we provide those experiences. They are as important and as necessary and as useful to the child as any portion of the instructional program.

Of the literally thousands of things that we do with children and the millions of dollars that we spend, any one item can be lifted out of context and made to look somehow inappropriate. It is however the sum total of a program that really makes a difference. The program must have good content, good services, good facilities and good management in order to really make a difference in the child's life. The test of the program strength is whether or not the child makes progress not whether or not he goes to summer camp. It takes a wealth of experience, training and understanding to know the difference.

In the eternal struggle to make life a little better for the handicapped population of this state and of this nation, it seems to me that the greatest of all partnerships must exist between federal, state and local endeavors. Each partner must not struggle with the other to find fault on mundane issues of little consequence but must devote their entire attention and efforts to make the most complex of all systems in the nation's history work effectively on behalf of some very deserving children.

Sincerely,

DIVISION OF SPECIAL
PROGRAMS AND SERVICES

Floyd M. Jackson

Floyd M. Jackson, Director
Special Services Section

FMJ:ar

cc: Mona Bailey



GRACEWOOD STATE SCHOOL AND HOSPITAL

GRACEWOOD, GEORGIA 30812

TELEPHONE 404 790-2011

Norman B. Pursey, M.D., Superintendent

September 16, 1977

The Honorable Carl D. Perkins
Chairman
Subcommittee on Elementary, Secondary
and Vocational Education
House Education and Labor Committee
Room B-366A, Rayburn House Office Building
Washington, D. C.

Dear Congressman Perkins:

Mr. Bob Gettings, Executive Director of the National Association of Coordinators of State Programs for the Mentally Retarded has brought to my attention that the Subcommittee on Elementary, Secondary and Vocational Education plans to hold one day of hearings on aid to state operated and supported programs for handicapped children, authorized under Title I, ESEA, on October 4, 1977.

I would like to see Title I, P.L. 89-313 continued at its present or larger (due to inflation) funding level. However, if this is not practical I strongly recommend that P.L. 89-313, in its present form, become a section of P.L. 94-142. I further recommend that this section be funded at its present level and that the states be held "harmless" until 1982 when funding of 50% of the state and national average per pupil expenditure of P.L. 94-142 will equal that of P.L. 89-313 (present funding level). By holding the states "harmless" until 1982, this will assure the present recipients of 89-313 funds of receiving the same amount of funds at the present funding level.

Since I will be unable to personally attend, it is requested that the National Association of Superintendents of Public Residential Facilities for the Mentally Retarded be represented by Dr. Ray Nelson, Director, Lynchburg Training School, Box 1098, Lynchburg, Virginia, phone number is 804 528-6327, who is Vice President of our organization. We would appreciate your permitting him to attend and testify before the Subcommittee on behalf of the Superintendents' Association.

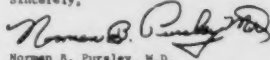
Georgia Department of Human Resources

DIVISION OF MENTAL HEALTH

Honorable Carl D. Perkins
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September 16, 1977

Your consideration of this request will be appreciated.

Sincerely,



Norman B. Pursley, M.D.
President
National Association of Superintendents
of Public Residential Facilities for
the Mentally Retarded

NBP:jw

cc: Mr. Bob Gettings
Dr. Ray Nelson

Form 3636 D.M.E.

LAWRENCE C. KOLB, M.D.
COMMISSIONERROBERT A. MCKINLEY, M.D.
FIRST DEPUTY COMMISSIONER

STATE OF NEW YORK
DEPARTMENT OF MENTAL HYGIENE
DIVISION OF MENTAL RETARDATION
44 HOLLAND AVENUE
ALBANY N Y 12229

THOMAS A. COUGHLIN III
DEPUTY COMMISSIONER
FOR MENTAL RETARDATION

October 19, 1977

Honorable Carl D. Perkins
Congress of the United States
House of Representatives
Committee on Education and Labor
Subcommittee on Elementary, Secondary
and Vocational Education
Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Perkins:

I welcome the opportunity to address the issue of continuation of the so-called 89-313 funding as a separate program as opposed to the inclusion of that program in the Education of All Handicapped Children Act of 1975, P.L. 94-142. I trust that the observations herein provided will assist the Subcommittee in making an equitable decision on this issue.

My position is that of Director of the Bureau of Education, New York State Department of Mental Hygiene. As Director, I am responsible for ensuring that education services are provided to approximately 6,000 children -- the great majority of whom are profoundly or severely and multiply handicapped individuals. Although the services provided to these children meet the standards established by the State Education Department, the day to day supervision is carried on by employees of the Department of Mental Hygiene.

Let me say at the outset, that without the provision of education funds pursuant to the 89-313 legislation, the education services for these children would suffer in quality and quantity. This is not to say that basic educational programs would be discontinued. The funds generated from State appropriations (Fiscal Year 1977 - 14 million in State dollars) through the Department of Mental Hygiene for basic educational services are sufficient to provide the essential education services for those children under this Department's jurisdiction. The programs supported by those funds would be adequate. The funds generated from federal revenues, however, enable us to convert "adequate" programs into "optimum" programs.

Efforts are constantly being made to ensure that the so-called 313 funds are not used to supplant State funds for mandated services. So-called 313 funds are not used to support those services mandated by law, neither have they been utilized to provide additional support services such as clerical or stenographic staff. I emphasize these points because of the findings presented in testimony at hearings conducted this past October 4, 1977. Among those findings were indications that some States are using their generated funds to provide State-mandated services, thereby supplanting State funds. We in our Department do not utilize those funds in that fashion and any effort to transfer those funds to a P.L. 94-142 mechanism would unjustly penalize those States which have utilized the so-called 313 funds in the proper manner. We would support Congressional clarification as to whether the funds should finance only those activities which supplement State-financed basic educational programs.

Since 1966, approximately 5,000 children per year have been served by our Bureau and have received approximately \$3,000,000 per year in funds as a result of this legislation. These Federal funds have been put to use to supplement State funds -- to augment and enrich otherwise "adequate" programs. All of the clients served by our Bureau have benefited from those funds. It is to be expected that some will benefit more than others -- if for no other reason that certain handicaps require more support than others to reach that "optimum" standard. Benefits to our children have taken the form of support personnel, newly developed educational, therapeutic and recreational equipment, field trips into community settings, ongoing staff training programs, and advanced curriculum development. These services are above and beyond those required by State law.

Recent testimony indicated that little sharing of knowledge takes place between institutions within a given State. Our efforts at disseminating relevant information contradict that assertion. Benefits from curriculum developments of our staff have flowed over into other institutional schools as well as into the public sector. To cite one instance, the staff of one of the Developmental Centers has developed and published a curriculum project consisting of six volumes and which will be made available to all schools within the State. This particular project, S.P.R.I.N.G. - Severely and Profoundly Retarded Individual Needs Guide - was the subject of a presentation made at the recent convention of American Association for the Education of the Severely/Profoundly Handicapped Fourth Annual Conference "Design for Progress" held at San Francisco last week. In addition, other projects such as S.M.O.K.E. - Sensory Motor Olfactory Kinesthetic Education and project A.B.C. - Art Based Curriculum - are just a few which have been developed at other centers and these projects have been disseminated throughout the State.

Such projects do not reflect a State mandate and could not have been developed without the support generated by 313 project dollars. If time permitted, I could go on to cite other examples of such efforts which have resulted in the "spread" of updated curriculum developments along with innovative educational practices.

As indicated earlier, we support the urging of others who request that Congress insist that 313 funds be used to supplement State efforts. To do so would require additional supervision on the part of the Bureau of Education for the Handicapped. We, therefore, urge that the Bureau be provided with sufficient resources to insure that the intent of Congress is carried out.

There appears to be a well intended effort on the part of a number of individuals to combine the so-called 313 legislation with those of P.L. 94-142. Part of this effort stems from the belief that local education agencies have control over the education of children in institutional schools, and can thereby direct funds generated by P.L. 94-142 to those children. This is not the case in New York State. Neither is it the case in a considerable number of other States. There is neither local control nor a local tax base for children in our institutional schools. Our financial support comes from State and Federal sources. Our schools do not constitute school districts, thereby making them ineligible for that share of P.L. 94-142 funds which are designed to flow through to the child. Thus, the incorporation of existing 313 funding mechanisms into the single P.L. 94-142 mechanism will penalize our children by making them ineligible to receive a share of a majority of funds generated by P.L. 94-142.

The cost of educating a handicapped child in an institutional setting is higher than that of educating a similar child in a public school setting. There are a number of reasons for that assertion. First and foremost is the severity of the handicapping condition. The pupil teacher ratio must be lower if the child is to receive anything but the minimum services. Equipment must be especially designed. Transportation equipment must also be specially designed. Such refinements are expensive. In addition, some of the costs of educating a child in a non-institutional setting are borne by other sections of a school budget, or community resources. To compare dollar for dollar costs of educating children of differing handicaps, in different settings with differing budget systems is improper, inaccurate and unfair unless you utilize some basic comparable standards such as salaries, fringe benefits, cost of materials, supplies, etc. Other areas such as support services should be compared in separate categories, and not as part of a total figure.

To date, 313 funds have enabled us to establish and maintain a number of fine enriched programs. This is due in large part to the project system of the 313 legislation. This system of awarding funds

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permits this Bureau to focus on particular needs and allows for a concentration of fiscal effort on particular areas of concern. There is nothing inherently evil about targeting funds, provided each child is provided with some of its advantages. This "primary focusing" lessens the diffusion which might come about if categorical aid systems were discontinued or if "targeting" were not permitted. To ensure that children in institutional schools receive their fair share of federal funds, a separate, identifiable program of federal assistance is essential and the so-called 313 legislation meets that requirement.

P.L. 94-142 represents a major step forward in ensuring that handicapped children be provided an appropriate education. Even with its goal of "total acceptance", however, P.L. 94-142 cannot change the attitude of some public school districts. Some schools are extremely reluctant to accept many of these handicapped children. Programs for these children are being developed, but very slowly in some areas. Therefore, a parallel system of funding is required for a while yet. The 313 legislation represents a mechanism which would meet that requirement.

If the categorical aid programs under which we have been operating are discontinued, the facilities where our children have been receiving such enriched programs would have to compete with the nearly 800 public school districts in the State for funds available pursuant to P.L. 94-142. Since our Bureau's children are deemed to be served, and since public school children stand in a better position to claim that additional unserved handicapped children have been located, those districts will be expected to be granted preference in the provision of funds. The competition for the State's share of funds generated by P.L. 94-142 would leave our Bureau's clients with little hope of acquiring sufficient funds to sustain the quality of enriched programs currently in operation. Furthermore, since this Bureau's schools are not viewed as public school districts by the State Education Department, these schools are not eligible to share in those funds generated by P.L. 94-142 which are earmarked for direct flow to school districts. If the funding mechanisms are to be combined, then they should be combined only at the point where the funds available pursuant to P.L. 94-142 are sufficient to equalize those generated by the so-called 313 legislation. Additionally, if funding is to be provided solely pursuant to P.L. 94-142, a "save harmless" requirement is necessary to ensure that our children do not suffer at the expense of equalizing 94-142 eligible children.

In brief, it can be stated unequivocally that our Department's children have had their programs enhanced by virtue of projects developed pursuant to so-called 313 legislation. I urge you to avoid merging of funds into another federal aid program which will have the effect of diminishing the quality of those programs.

I appreciate the opportunity to share my views with the members of the Subcommittee and would be available to clarify for you any questions you might have.

Respectfully,

Russell C. Siragusa
 Russell C. Siragusa
 Director
 Bureau of Education

DEPARTMENT OF HEALTH AND HUMAN RESOURCES



EDWIN EDWARDS
GOVERNOR

STATE OF LOUISIANA
OFFICE OF MENTAL RETARDATION
P.O. BOX 44215 721 GOVERNMENT STREET
BATON ROUGE, LOUISIANA 70804

October 3, 1977

Honorable Carl D. Perkins, Chairman
Subcommittee on Elementary, Secondary,
and Vocational Education
House Education and Labor Committee
Room B-346A, Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Mr. Perkins:

I am taking the liberty of writing you because Louisiana has no representation on your committee.

We have been advised that your committee is currently holding hearings on extending and amending the existing P.L. 89-313 programs.

It is in this regard that I am writing to you to share the manner in which this program has been used by the Louisiana Office of Mental Retardation and the impact that deleting it may have on our services to the mentally retarded in Louisiana's institutions and Day Developmental Training Programs.

Public Law 89-313 funds have played and are playing a major role in our state operated and supported programs. Because of the federal support in P.L. 89-313, the state operated residential schools and Day Developmental Training Centers have been able to stimulate the development of new projects which supplement, expand, or enrich existing educational programs beyond the basic activities normally supported through state funds.

Generally, we see P.L. 89-313 as a very positive thrust in improving educational services to the mentally retarded.

Consequently, we are asking that you make every effort possible to continue P.L. 89-313.

Your interest and assistance in this matter is greatly appreciated. Please feel free to contact me if additional information is needed.

Sincerely yours,

Otto P. Estes, Assistant Secretary
Office of Mental Retardation

OPE:ebw

"AN EQUAL EMPLOYMENT OPPORTUNITY AGENCY"



THE CONFERENCE OF EXECUTIVES OF AMERICAN SCHOOLS FOR THE DEAF, Inc.

AN ASSOCIATION OF SCHOOLS AND EDUCATIONAL PROGRAMS FOR THE DEAF

National Office
405 Wisconsin Avenue, N.W.
Washington, D. C. 20012

September 30, 1977

Telephone
202-342-1117

The Honorable Carl D. Perkins
Chairman
Subcommittee on Select Education
Committee on Education and Labor
House of Representatives
Room 8346C
Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Perkins and Members of the Subcommittee:

The following comments are submitted as written testimony in connection with your hearing of October 4, 1977, related to Public Law 89-313, provisions for state operated and supported programs for the handicapped. Our position is summarized as follows:

- 1) The CEASD position is that P.L. 89-313 has had a tremendous impact on the level of supportive and related services benefiting students enrolled in state operated and supported programs for the deaf. In 1967, the CEASD officially recognized the value of the 89-313 program by resolution. Nothing in the intervening 10 years has occurred to change that strong view.
- 2) Elimination of the 89-313 program would have devastating effects on the educational programs currently provided by state operated and supported programs for the deaf.
- 3) We are concerned that combination of the 89-313 and 94-142 programs will result in a diminution of needed services to students enrolled in state operated programs for the deaf.
- 4) We believe that the 89-313 program should be retained essentially as is. Specifying more clearly the intent of 89-313, Title I would be helpful to all, but guidelines should not be established in a way that prevents varied state operated programs from responding to their unique needs and priorities.

The Conference of Executives of American Schools for the Deaf is an organization of member schools and programs which provide services to the deaf. A large majority of schools and programs for the deaf which are recipients of funds under Public Law 89-313 provisions for the handicapped are members of this organization.

An International Organization Promoting Comprehensive Education for the Deaf

The Honorable Carl D. Perkins
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September 30, 1977

The April, 1977, issue of the journal, American Annals of the Deaf, tabulated financial information on state supported residential programs for the deaf in the United States. Of the 59 schools reporting, 55 indicated that they were recipients of Title I (89-313) funds as of October 1, 1976. Fifty-four of the 55 schools reporting are active member schools of the Conference of Executives of American Schools for the Deaf.

Numerous non-residential programs for the deaf are recipients of Title I funds but we do not have easily accessible information for them. The American Annals of the Deaf data indicate that Title I funds account for approximately six percent of the total expenditures of the reporting schools. The schools reporting Title I funds range in size of school population from 50 to 799. The per capita costs of education ranges from \$4,637 to \$10,263 per year. The raw financial impact of Title I monies of these program budgets is highlighted when it is recognized that total expenditure of figures includes amounts expended for non-instructional services including residence program costs and capital outlay. If such non-instructional costs were factored out, Title I funds could be equivalent to or greater than 10 percent of the instructional costs of reporting schools. Title I funds received by the reporting schools range from \$18,566 to \$425,429 with an average per pupil expenditure of \$502.

In comparing reported information as of October, 1976, with information reported as of October, 1973, for a 20 percent sample of these programs, it appears that there is a constant or slightly decreasing ratio of Title I funds to total expenditures even though the per capita expenditure of Title I funds has increased during that four year period by approximately 20 percent. This increase compares favorably with the overall appropriations of Title I funds. The student population reflected in the above sample of schools has tended to decrease slightly during the four year period to which we refer.

It is our understanding that the intent of the Public Law 89-313 Title I program for state operated and supported programs is primarily focused on the improvement of the quality of educational services for handicapped students. Funds from Title I, 89-313, have permitted the introduction of a variety of innovative programs in schools for the deaf which we believe would not have occurred without the stimulus of the Act. The following list of programs and services established in two selected schools for the deaf were repeated across the country in other schools for the deaf which are recipients of Title I funds:

Types of Services Stimulated by Title I Funds

(a) Provision of

- (1) Full time psychological services
- (2) Part-time personnel for a movement dance program
- (3) Services for students with psychomotor problems

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- (b) Establishment and expansion of
 - (1) Audio-visual support services and materials
 - (2) Counseling program for parents of preschool students
 - (3) Social services program for students
 - (4) Resource room instructional program
- (c) Expansion of
 - (1) Printing instructional program as part of vocational training
 - (2) Library services
- (d) Establishment of
 - (1) A professional library
 - (2) Career education services
 - (3) Mathematics laboratory program
 - (4) Lending library for parents
 - (5) Special classes for deaf students with additional handicapped conditions
 - (6) New art program components
 - (7) Work study program development
 - (8) Workshop and discussion groups for parents
 - (9) Individualized summer school programs
 - (10) Short term institutes for parents
- (e) Development of curricula
 - (1) Music
 - (2) Language skills
 - (3) Life skills

The Honorable Carl D. Perkins
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(f) Provision for

- (1) Teacher aides to facilitate individualized programming
- (2) School transportation to facilitate student/community interaction
- (3) Test materials for program evaluation
- (4) Consultants for program improvement in map skills, science, arts, language, child care techniques, and dental health

The above range and types of services utilizing Title I monies included certain one-time expenditures which do not require continuing maintenance. Others, particularly those which are dependent upon additional manpower, do require on-going expenditure of funds to assure the continuation of satisfactory services.

CONCERNS

The following material is an attempt to focus on some of the concerns that member organizations of the Conference of Executives of American Schools for the Deaf have:

1. Is there a continuing need for supplemental funding to enhance programs in the state operated schools for the deaf?

An initial need was recognized by the Congress in passing the 89-313 amendment. The need was again recognized in Public Law 94-142 which encourages states to improve educational services in state operated residential programs but no direct financial incentive is provided. Many of the state operated programs for the deaf are primarily residential but also provide day programming for some students. Given the impact of Public Law 94-142 of the development of alternative programs for hearing impaired students, it is clear to professionals within the field of education for the deaf that the state operated residential schools must undergo a change in role in order to function in a complementary way within the overall structure of state educational services for the deaf. Two of the trends affecting state residential schools for the deaf are the reduction in student enrollment and a change in the characteristics of the population served. Students in such schools tend to be older in average age than in the past and there is an increasing proportion of multiply handicapped students. There is some evidence that a significant reduction in student population will occur as more deaf students are educated in local programs which may have few or no supportive services. The state schools must become a resource to local programs.

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Page Five
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The provisions for the least restrictive placement under P.L. 93-380 and P.L. 94-142 would result in students being placed in residential facilities for the deaf, and other handicapping conditions, because they require more comprehensive and specialized services. It might be assumed therefore that the costs of their education and related services are and should be higher. If so, it would appear to be significant that there should be disproportionately higher levels of federal per capita support to these residential facilities to insure an educational program appropriate for the students' needs.

In times of change schools need added resources per capita to effect the development of new roles and innovative services within the state. For further insight, we have attached a publication of the Conference of Executives of American Schools for the Deaf and specifically refer you to the article by Dr. Barry Griffing.

The Conference of Executives of American Schools for the Deaf believes there is a continuing need for supplementary support to state operated programs for the deaf in order to provide innovative services which are not generally provided by the states as a part of a basic educational program. These services include parent guidance, audio-visual support services, social services, inservice education of teachers, institutes for parents, utilization of teacher aides, etc.

2. What would be the result of termination of P.L. 89-313 supplemental funding?

The elimination of 89-313 funding would require drastic cutbacks in areas of service that are believed to be critical. Examples given include psychological services, media and materials services and health related services.

While there are certain examples of states assuming funding responsibility for Title I initiated programs, our member representatives contacted indicated a belief that the states would not pick up a significant amount of these programs if 89-313 funds were withdrawn.

3. Should there be more rigorous guidelines for use of Title I (89-313) funds?

State operated and supported programs for the handicapped are heterogeneous in nature. Some were established primarily to provide custodial services; others, including residential schools for the deaf, have been operated solely for educational purposes. Furthermore, state operated and supported programs for the deaf are not homogeneous. They include both residential and day program facilities. They vary in level of sophistication in support of services and programs as well as in the range of curricular offerings available. They also vary in the pattern of alternative

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educational services which they must complement within the state and the geographic and demographic characteristics of their service area.

Because of these variations the priorities for program improvement can be expected to vary from school to school.

While it may be desirable to establish requirements for greater accountability in terms of both program focus and financial control for the Title I funds, this should not be achieved at the expense of the required conformity which does not permit schools to address their priorities.

It is our opinion that guidelines should not be established which limit these funds to specified curricular areas or specified supportive or related service areas.

4. Should the Title I (89-313) be combined with the Public Law 94-142?

Our respondents repeatedly expressed the concern that any combination of 89-313 with the Public Law 94-142 program may be detrimental to the handicapped students currently benefiting from the Title I (89-313) program.

The initial funding levels under Public Law 94-142 in no way compare to the present levels of funding under 89-313. The expectation for initial 94-142 funding is \$50 to \$70 per handicapped student with priorities for expenditures within the state established for (1) provision of services to handicapped students not presently being served and (2) provision of services to students with the most severe handicaps who are presently receiving inadequate education. It is conceivable on the basis of the two priorities established that schools for the deaf could receive less than the proposed \$50 to \$70 per pupil. Since the 1977 average per pupil expenditure of 89-313 funds of member schools reporting was \$502, a loss of those funds would have significant impact on the educational programs for students in these schools.

If funds from 89-313 are allocated to 94-142, there may be pressure in Congress to consider those funds as a part of the scheduled increment in the level of funding under 94-142.

If the 89-313 funds were somehow shifted to Public Law 94-142 as a discrete pool of dollars with the stipulation that current 89-313 per capita levels be maintained, it would appear to highlight the discrepant funding levels making it more difficult to maintain current levels of support to state operated programs than if the programs are, for the present time, maintained separately.

It is probable that at some point in the future, if Public Law 94-142 appropriations increase significantly, they will approximate the 89-313 levels of funding. At such time it may be appropriate to consider combining the two authorities.

Respectfully submitted,

Hubert D. Summers

Hubert D. Summers
Executive Director

HDS:fd



The Western Pennsylvania School for the Deaf

Edgewood, Pittsburgh, Pennsylvania 15218

William N. Craig, Ph.D., Superintendent

TELEPHONE 371-7000

September 29, 1977

The Honorable Carl D. Perkins, Chairman
Subcommittee on Select Education, of
Committee on Education and Labor
House of Representatives
Room B 346 C
Rayburn House Affairs Office Building
Washington, D. C. 20515

Dear Representative Perkins,

I herein provide written testimony regarding impending legislation which may be of grave consequence to severely handicapped children in this nation -- that is, the possible elimination of Public Law 89:313 as an amendment to Title I of the Elementary and Secondary Education Act (ESEA). Under this law, millions of dollars have been used to improve educational programming for the handicapped and to promote innovative projects which would have been impossible to finance through State and local resources. Without such innovations, educational programs not only remain static, but stagnate. Without the 89:313 money, innovation will be cut off.

Especially in areas of special education and sensory handicap, such as deafness, new break-throughs continue to be both possible and potentially significant. Unlike the research listed under Senator Proxmire's "Golden Fleece Award," these projects can be of real benefit to millions of handicapped individuals, and in fact can decrease the dependence of such people on the welfare program and the taxpaying public. Special services are initially expensive; however it is less costly to provide extra and high quality education for the handicapped child than to pay for his early neglect throughout his adult years. Electronic advances, for example, are increasing optimum use of residual hearing; however, the implications and potential benefits for deaf children can only be determined through examination in an educational setting -- the type of examination which can well be accomplished through use of 89:313 funds, and which is, in fact, an on-going project at this school.

In order to provide an indication of the types of programs which would be damaged by elimination of the 89:313 funds, I am enclosing an abstract, a project listing, and an outline of project offerings at the Western Pennsylvania School for the Deaf, in 1976-77. It should be noted that, throughout the 89:313 project implementation, this school has adhered to strict evaluation procedures for the program innovation, with standardized measurement tools wherever possible. In those few cases where a project component did not result in sig-

nificant improvement for the criteria measured, the component was eliminated the following year. Successful components, on the other hand, have been expanded and -- to as large an extent as possible -- incorporated into regular school funding.

During the past 10 years, 89:313 funds have provided the impetus at the Western Pennsylvania School for the Deaf for innovative projects, such as those on the enclosed list, which not only benefit the children at our school but which have been shared (through 54 articles, booklets, and conference presentations plus 4 Verbotonal workshop/training programs) with educators of the deaf all over the United States. The evaluation instruments developed here to help assess project components are being used not only in programs for the deaf but by the general education community. In like measure, Title I project information from other schools for the deaf has provided valuable input for our programming here. Thus, in fact, 89:313 has served both the individual handicapped child and the process of innovation in education which may ultimately be of benefit to all children. The elimination of such funds would have a profound and devastating effect upon those with severe handicaps -- and, eventually, upon the taxpayers of this country who would have to compensate for lack of education with welfare funds for the disabled illiterate.

Those who oppose inclusion of Title I within the ESEA legislation contend that the new Public Law 94-142 will take care of all needed service for handicapped children. In fact, however, funding provided under 89:313 will neither be replaced by nor duplicate that allocated through P.L. 94-142, for several reasons:

- (1) According to the Federal Register, of August 23, 1977, p. 42302, it will be at least 5 years before 94-142 reaches its full level of funding.
- (2) Even at its maximum, that level will not provide as substantial a benefit for severely handicapped children as does the present Title I funding under 89:313. Last year for example, the 491 handicapped children at the Western Pennsylvania School for the Deaf were able to benefit from programs funded through 89:313 at a total cost of \$243,841.00 or almost \$500.00 per child.
- (3) 89:313 funds have been provided in the past for students in state-supported schools for handicapped children; schools for the deaf, for the blind, for the retarded and for the socially-emotionally disturbed. These are the children, such as the profoundly deaf, who are most severely impaired, who cannot function well in an educational mainstream, and who are in need of extensive (and therefore costly) special services. Because 94-142 funds are to be distributed for services to all handicapped children, the allotted amounts will be insufficient to help those who need it the most. It is perhaps with deaf children that this need is most clearly illustrated -- for deaf persons who have been provided with intensive special education can and do become successful.

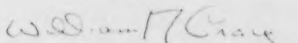
-3-

contributing, tax-paying members of society. However, without special services, these children have no language, cannot read, function as illiterates, and cannot attain the information necessary to become contributing citizens as they mature.

P.L. 89:313 was intended for educational innovation and enrichment of handicapped children. It has, in fact, provided such programs as demonstrated by those listed on the attached paper. If funding through 89:313 entitlement were eliminated, many such programs would be severely curtailed -- to the great detriment of many handicapped children. It is especially probable that those children with the most pronounced handicaps -- because they benefit the most from innovation -- would be the most severely affected.

We plan to keep in touch with your office, and we hope to receive your support in the continuation of this legislation which is of such vital importance to the handicapped children of this country.

Sincerely,



William N. Craig, Ph.D.
Superintendent

WNC/ja

cc: Senator John Heinz
cc: Senator Richard Schweiker
cc: Representative William Moorhead
cc: Representative Austin J. Murphy
cc: Representative William F. Goodling
cc: Ms. Nancy Heyman

89:313 Projects for W.P.S.D. -- 1976-77
A Feed-Ahead/Feed-Back System for Deaf Students

1. a language modelling project:
 - supplementary language tutoring using specially designed linguistic modelling strategies;
 - use of volunteer "models" in classroom and in dormitory reading program;
 - development of Language Curriculum, based upon transformational grammar;
2. modelling and feedback through the Verbotonal approach:
 - speech tutoring at all age levels;
 - part-time and carefully planned integration with hearing children as "models";
 - systematic observation and analysis of oral and written language modelled and produced in the Verbotonal classes;
 - extensive auditory discrimination testing to determine optimum frequencies and key vibratory cues, to increase effective input of spoken language;
3. after-school expansion of skills:
 - an autotelic "Language Lab" for Primary children (providing supplementary language and cognitive experience through theme-centered games, crafts and dramatic expression -- eg., with themes such as "Dr. Doolittle and the Pirates", "Colors and Shapes", and "Magic");
 - 30 Arts and Crafts clubs, including ceramics, photography, macrame, film-making, collage, tole, weaving, woodshop, calligraphy, and karate;
 - a dormitory classroom liaison program -- to provide communication and possible carry-over from school to dormitory life, and vice versa;
4. a pilot "extended-day" program for multi-handicapped:
 - consistent day-long teaching and behavioral modification for retarded deaf boys with social-emotional disturbance;
5. Computer Assisted Instruction (CAI):
 - Supplementary and motivating programs in math, reading and language presented in video terminals for children from Primary through Upper School;
6. a survey of graduates:
 - to follow-up on W.P.S.D. graduates from 1970-1975, to determine appropriateness of preparatory programs here and indicate any areas for continuation or for change of focus;
7. Supportive-evaluative services and personnel:
 - consultants, instructional workshops and observations
 - illustrator; audio engineer
8. a preschool institute for parents of incoming children.
 - a 1-week summer orientation and training for families and their deaf children

Total 89:313 Expenditure	\$243,841.00	}	\$496.22 per child
Number of Children Involved	491		

Western Pennsylvania School for the Deaf
89:313 Projects for 1976-77

MODELLING, REINFORCEMENT, AND EXPANSION: A "FEED-AHEAD/FEED-BACK"
SYSTEM FOR DEAF STUDENTS

Introduction

Because deaf children do not normally receive, as do hearing children, the almost constant linguistic input from people conversing to and around them, they miss the data from which to induce and tryout language rules. Further, because they have limited language with which to codify their everyday experiences, these contacts frequently remain unexpanded, and the development of cognitive concepts is delayed. Confounding both linguistic and cognitive development is a lack of feedback -- lack of self-reinforcement for "matching" utterances with those of significant others, and lack of reinforcement by these others when responses are not understood.

Three major processes are involved and deficient here, ingredients which are critical to the development of both language and thought -- (1) modelling, (2) reinforcement, and (3) expansion. Together they comprise what might be considered a "feed-ahead/feed-back" system, a communication circuit which is impaired by the loss of hearing but which may be reestablished at least in part, by educational programs specifically attending to these three processes. It is to such programming, during both in-school and after-school hours, that the 1976-77 89:313 project at the Western Pennsylvania School for the Deaf was directed.

ABSTRACTModelling, Reinforcement, and Expansion:"Feed-Ahead/Feed-Back System for Deaf Students"1976-77OBJECTIVES:

The recently completed project proposed to provide, for deaf children in all areas of the W.P.S.D. environment, an increase in three major factors critical to the development of language and thought, concentrating on the three together as a "feed-ahead/feed-back system". The broad objectives thus were to increase: (1) the amount of modelling which the students received, for speech, language, cognitive and social behaviors; (2) the amount of reinforcement or feed-back received; and (3) an expansion of basic and creative skills.

ACTIVITIES:

These objectives were implemented with six programs: (1) a language modelling project -- classroom and dormitory; (2) modelling and feedback through the Verbotonal approach (analysis of language modelled and produced; integrating hearing children as models; increasing effective input by speech and language models, etc.); (3) after-school expansion of skills (language lab, arts and crafts clubs, dormitory-classroom liaison); (4) pilot "extended-day" program for multi-handicapped; (5) a Computer-Assisted Instruction program, and (6) a survey of graduates. A preschool parents' institute also was held in June.

EVALUATION:

Evaluation included measures of: (1) interaction analysis; observations of language and behaviors modelled and reinforced; (2) auditory discrimination, including: the FAT series (Pittsburgh Auditory Tests), and the WIPI (Word Intelligibility by Picture Identification); (3) speech production (Goldman-Fristoe Test of Articulation; Clarke Test of Speech Intelligibility) (4) Written Language (Original Written Language Inventory and criterion tests of syntax); and (5) Reading (Gates MacGinitie and/or Stanford).

OUTLINE OF 89:313 PROJECT COMPONENTS FOR 1976-77

1. MODELLING OF LANGUAGE AND READING:

A. Language Modelling: Tutor and Classroom

Provided for children:

- (1) a series of tutoring sessions, focusing upon specific grammatical structures or rules in which the child had demonstrated deficiencies;
- (2) specific language modelling strategies or shaping sequences designed to promote child discovery of these linguistic rules;
- (3) "modelling" by trained adults helpers, of correct and incorrect forms of the language rule to be learned, providing systematic exposure to probable language hypotheses which the child could vicariously try out (via the model) and obtain non-threatening knowledge of results;
- (4) reinforcement of correct response (both for model and child);
- (5) externalization of language rules -- via dramatization, concrete and visual presentation -- as a route to gradual internalization of these rules;
- (6) procedures for transfer from tutoring room to classroom.
- (7) substantial and statistically significant gains on pre to post criterion measures for all language constructions modelled and for all 63 children involved (e.g. from 50 to 85% correct on conjoined sentence transformations)
- (8) continued positive results over a 3 year period and for 110 children, with an average gain per tutoring sequence of over 30% and with "recall" scores, after summer vacation, which remain at post-test rates.

B. Modelling of Reading in After-School Environment

Provided for Children:

- (1) access to colorful "bookmobile" carts, with frequently changing variety of books, which were wheeled into the dormitory to encourage leisure reading;
- (2) trained volunteer models who selected specific themes for the bookmobiles, who read stories to the children and/or who encouraged the children to read stories to them.

C. Development of Language Curriculum

Provided for intermediate level deaf children and their teachers:

- (1) a 3-book systematic guide for language learning, based upon sentence patterning, syntactical rules and transformational grammar;
- (2) a structured supplement to the "natural language" approach also used in this school;
- (3) a series which may be shared with other educators of deaf children.

II. MODELLING AND FEEDBACK THROUGH THE VERBOTONAL APPROACH:

A. Speech Tutoring and Speech Classes

Provides:

- (1) For all Preschool and Primary children -- Both daily tutoring and group work in speech, spoken language patterns, and auditory discrimination skills, using the Verbotonal approach. This involves:
 - a. use of body movements to assist both in production and perception of speech;
 - b. emphasis on acoustic memory for language patterns (aided by body movements and by the articulatory movements from the production of speech);
 - c. providing speech and language work in active "play" situations, so that much longer periods of concentrated work on spoken language are possible;
 - d. emphasis on language in meaningful context or situations;
 - e. emphasis on wide range frequency response and on vibratory clues in perception of spoken language patterns;
 - f. matching of amplification to the deaf person's optimum field of hearing.
- (2) Linguistic analysis of recorded spoken language and of written language produced by these young deaf children.
- (3) For the Middle School children -- tutoring three times a week in speech and auditory discrimination skills, using modification of the Verbotonal approach as appropriate with older children and concentrating on language being used in the classroom.
- (4) For the Upper School children -- small speech classes (3 or 4 per class), again with concentration on speech needed in everyday situations.
- (5) For all children, systematic checks (at least weekly), by speech tutors, of individual hearing aids to assure continuous and optimum amplification.
- (6) Overall measured gains in speech and auditory discrimination scores.
- (7) Development of a Verbotonal curriculum and organization of Verbotonal training sessions which have been shared with many other educators of deaf children.

B. Integration Component -- Hearing Children as Models:

Provided:

- (1) For Nursery children -- a "reverse integration" program in which 30 hearing students (age 3 and 4) from the school neighborhood come to the WPSD nursery for 2 hours each day -- providing an early foundation for interaction among deaf and hearing students but with the necessary support facilities of the specialized school;
- (2) For 3 classes of Kindergarten and Primary children who could benefit from the challenge -- part-time (1-1/2 hrs. daily) integration in a public school program, each class accompanied by a trained teacher of the deaf;
- (3) Evaluation of communication patterns between the deaf and hearing children via an interaction analysis for communication types and modes.

C. Auditory Discrimination Testing -- for Optimum Frequency Contours:

Provided initial evaluation toward:

- (1) A systematic analysis of the effect on deaf children's auditory discrimination scores of various frequency inputs -- i.e. of amplification which includes a broad frequency range, including the frequencies below 500 Hz; amplification which omits these lower frequencies; and amplification with mid-range cut-off;
- (2) A determination of individual differences re: these frequency contours;
- (3) A basis for providing specific amplification parameters to our deaf children;
- (4) An analysis of the effect of vibratory clues added to the auditory.

D. Consistent Day-Long Hearing Aid Use:

Provided:

- (1) Specific encouragements and increased motivation (peer models, etc.) for use of hearing aids in the dormitory;
- (2) Strengthening of communications with parents re: hearing aid use at home (through letters and illustrated booklets for children and parents).

III. AFTER-SCHOOL ENVIRONMENT: EXPANSION OF SKILLS:

One potential advantage of a residential school for the deaf is that the after-school hours can be used maximally to offer students a wide variety of learning experience -- in effect providing a 24 hour responsive learning environment. Three such programs have been initiated here under 89:313 funding.

A. Autotelic Language Lab (Primary Dormitory)

Provided for all Primary children (bi-weekly):

- (1) an after-school learning environment specifically designed to provide language and cognitive enrichment/reinforcement through activities which were "autotelic" (reinforcing and fun for the children);
- (2) a series of themes around which the various language concepts, cognitive and role-playing experiences could be focused -- e.g. "Dr. Doolittle and the Pirates", "Colors and Shapes", "Three Little Pigs", "Houses", "Fix-it: Build-it", "Transportation", "Peter Pan", "Grocery Store" etc.;
- (3) a distinct and special setting for these activities, with props constantly changing to fit the different themes. Included were areas for science experiments, creative crafts, role-playing, typing and individual exploration of games and books;
- (4) opportunities to type about their Lab activities on special color-coded typewriters, using Polaroid pictures as back-up stimuli.
- (5) measured and significant gain in the language and cognitive skills modelled.

Sample Lab activities: One week, the Lab will be set up as a grocery store. The children make cardboard meat, fruit and ice cream items to be used in the store, will classify and shelve items, will role-play shoppers and clerks, type "grocery lists", play games relating to food classification, and visit a local market. The next week the shoppers become bees or bears, enacting the "Big Honey Hunt" story and focusing on the language of spatial relations as they go "up the tree", "down the path" and "into the water," through a child-size maze. They will construct "bee-mobiles" and bear masks and examine a bit of honeycomb.

B. "Avocational" Arts and Crafts Program:

Provided for all children above Primary (ages 9-21) opportunities to explore and to extend creative skills, through:

- (1) a wide variety of arts and crafts and special interest clubs, after school;
- (2) over 30 different options, including: ceramics, nature, collage, photography, animation, macrame, calligraphy, karate, weaving, art needlework, social dance, tole, film making, tie-dying, gourmet cooking, silk-screening, water color, woodworking, crafts, home repair, modern dance, and many others.
- (3) weekly sessions for 10 weeks per club, one to two hours each session;
- (4) a weekly "Senior High Arts Night" during which the older students not only participated in their selected clubs but shared their creations with students in different clubs.

C. Dormitory Classroom Liaison Personnel

Provided two part-time liaison persons who:

- (1) arranged systematic classroom observations for dormitory personnel and vice versa;
- (2) worked with dormitory personnel to develop activities which will reinforce both cognitive and language learning;
- (3) checked on and reinforced consistent use of individual hearing aids, to help establish the hearing-aid habit;
- (4) provided communication and positive carry-over from the school to dormitory life, and vice versa.

IV. PILOT "EXTENDED-DAY" PROGRAM FOR MULTI-HANDICAPPED

Provided -- for limited number of deaf retarded boys with social-emotional disturbance:

- (1) A consistent day-long program especially geared to their needs, i.e. to develop independent living skills and reduce problem behaviors;
- (2) An "extended-day" teacher who worked with these children throughout the after-school hours, providing them with basic skill experiences and carrying out behavioral modification policies used in the classroom;
- (3) a tutor or "model" of basic behavior and language: who worked part-time with the classroom teacher and specifically modelled expanded and reinforced adaptive behaviors. (This tutor also served in a similar capacity with other mentally retarded deaf children at this school.)
- (4) a substantive reduction during the year of the problem behaviors and an increase in appropriate response -- including initial language learning and acceptable social interactions.

V. COMPUTER ASSISTED INSTRUCTION PROGRAM (CAI)

Provided:

- (1) a CAI system with computer and 24 video (CRT) terminals -- 9 each in the Middle and Upper schools and 6 in the Library Reading Room;
- (2) computer programs especially adapted to the problems of deaf students -- for elementary math, reading, and language;
- (3) practice in math, language and reading for all students at these levels, 2 or 3 times a week during the day, plus optional evening use;
- (4) a highly motivating system which provided drill on basics without the boredom of "work sheets";
- (5) an increase in student performance for the skills offered through the CAI system.

VI. SURVEY OF GRADUATES: 1970-1975

Provided:

- (1) feed-back to the school on the effectiveness of educational and occupational programming here;
- (2) face to face interviews with students who had graduated from WPSD in the past 5 years, gathering information on:
 - a. post-secondary education
 - b. employment: past and present
 - c. the role of the Bureau of Vocational Rehabilitation
 - d. attitude toward work
 - e. adjustment to work/community
 - f. communication used on the job/in the community

VII. SUPPORTIVE SERVICES:

Provided:

- A. Access to consultants expert in various project areas (eg. behavioral modification, auditory evaluation etc.)
- B. an illustrator who:
 - a. provided attractive and informative visual aids to assist in making concepts more clear and motivating for the children;
 - b. illustrated evaluation material necessary to assess child progress
- C. an Audio-Engineer who:
 - a. developed, implemented and measured improved acoustical conditions in the classroom (signal/noise ratio etc.) so that children could better benefit from use of their residual hearing.
 - b. maintained and modified hearing aid equipment to provide amplification alternatives consistent with the various educational environments (open classrooms, self-contained rooms etc.);
 - c. developed acoustic procedures necessary to examine frequency contours (discussed previously).

VIII. PRESCHOOL PARENTS' INSTITUTE

Prior to a child's entrance into preschool this week-long institute provided:

1. Orientation of family to functions of special education for deaf children, and of availability of cooperating service units;
2. Introduction of deaf child to school-like activities in informal setting, and of parent to program and people child will meet;
3. Transition period from home to school;
4. Introduction to parents of strategies for supplementing and complementing schooling of their children at home.

The Boston School for the Deaf
800 North Main Street
Randolph, Massachusetts 02368
963-8150

September 29, 1977

Honorable Carl D. Perkins, Chairman
Subcommittee on Select Education
Committee on Education and Labor
Room 8346C
Rayburn House Office Building
Washington, DC 20515

Dear Congressman Perkins:

I would like to submit the following as written testimony in support of the continuance of Title I P.L. 89-313 funding.

Anyone connected with the "Hearings" before your committee on P.L. 89-313 should not be naive regarding the need and the cost for special services. Children with severe educational handicaps such as deafness require highly specialized and quality services ranging from costly electronic acoustical equipment in each classroom to counseling on accepting one's own handicap. Educating our society, and indeed the child's own parents, on the devastation of deafness on simple everyday communication and socialization is as much a part of The Boston School's charge as teaching the child himself to add and subtract. The difficulty remains in maintaining a fiscal equilibrium to provide such services adequately while being as comprehensive as possible. To be anything less to the deaf child is to place him in a "restrictive environment" a term which has come to mean everything but adequate education!

Under P.L. 89-313 funding The Boston School has pursued that which allows us to qualify "adequate" with supportive staff, innovative programming and resources without punishing the local school district or State Department of Education fiscally. In Massachusetts the tuition paid by the local district or the State itself to special schools and programs is determined by a Rate Setting Commission. This Commission being fiscal rather than program oriented leaves no room for innovation nor upgrading of services. This is where 89-313 funding has been of such tremendous impact on our program, it allows us a procedure for pursuing our educational beliefs in a systematic way without reflection in per capita cost.

During the school year of 1976-77 The Boston School was paid a two day visit by auditors from the United States General Accounting Office. I restate to you what was given to them in terms of The Boston School's philosophy, one which I believe to be the original intent of the law.

Congressman Carl D. Perkins
 Page 2
 September 29, 1977

Under the present administration, The Boston School for the Deaf believes in the concept that funding for new staff positions or programming under 89-313 should be viewed as a three (3) year trial support period. If within that three year period the value of the position or program is not proven, it should be dropped. Ideally, this would be top loaded the first year with salary, equipment and materials, the second year support for salaries and minimal expenses, and the third year would support only salaries or phase in of personnel cost at the 50 - 75% level.

Beginning with the most recent transfer of programs and positions the following have taken place during the past four years at The Boston School.

<u>Position/Program</u>	<u>Disposition</u>
Psychological Counselor	Position incorporated into regular budget.
House Parent Training	Weekly in-service of House Parents now conducted by Dean of Students and General Supervisor.
Kingston Satellite Class	Program dropped due to cut in approved funding. Teacher transferred to budgeted position within The Boston School.
Social Hygiene	Incorporated into regular curriculum from an after school activity.
Photography/Television	Although Photography is still offered as an out-of-school activity, both photography and television production are incorporated into the regular curriculum as part of Language instruction.
Media Specialist	Incorporated into regular budgeted position.
Project Inform	School continues to disseminate materials about deafness under this name, however costs are borne now by the school and outside requester.
Perceptual Motor	Both Program and Instructor were incorporated into regular programming and budgeting.

Congressman Carl D. Perkins
 Page 3
 September 29, 1977

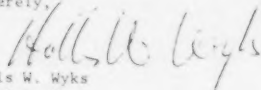
The School expects to continue to follow this stated formula with two major exceptions: 1) the provision of activity instructors for out-of-school time; and 2) the Instructional Aides. This latter grouping is fluid both in personnel (as we prefer to give college students paid experience) and work assignment which may change from class to class, individual to individual, Department to department and semester to semester.

None of the above nor our present programs of Applied Montessori Techniques; Aphasic Nursery Program; Parent Outreach; or Integration Program would have been possible without the flexibility provided by 89-313. And all of these successes and failures, can be viewed or reviewed, replicated or disseminated as they remain as The Boston School's accountability to both the State and Federal educational branches responsible for "special needs."

There is no way from my view point that funding under any other existing public law, Federal or State, can meet what is a known and suitable base provided by P.L. 89-313. If the intent and subsequent use by States are at odds then guidelines need to be restated. The Boston School's philosophy as stated may not be perfect, but it puts accountability to the beliefs of a dedicated teaching staff and ultimately The School in its relation to the child's total educational picture.

What deaf children need is the opportunity to be educated in an environment in which they can achieve and succeed. The environment in turn must be tested and improved to be even adequate to this challenge. Without funding sources and levels represented by P.L. 89-313, the environment will become stagnant and restrictive and the deaf child's opportunities with it.

Sincerely,



Hollis W. Wyks
 Superintendent

HWW/crl



STATE OF ILLINOIS

DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES

GENERAL OFFICE

Room 1500, 180 N. LaSalle Street
Chicago, Illinois 60601

September 30, 1977

The Honorable Carl D. Perkins, Chairman
Subcommittee on Elementary, Secondary and Vocational Education
House Education and Labor Committee
Room B-346A, Rayburn House Office Building
Washington, D.C. 20515

Mr. Chairman, Members of the Committee:

The Illinois Department of Mental Health and Developmental Disabilities has been the recipient of funds under Title I P.L. 89-313 as amended by P.L. 93-380 since 1965. These funds have provided direct services in highly innovative and creative programming to supplement ongoing educational programs in all the department's facilities serving a population under 21 years of age.

Because of the creativity engendered by these projects, we have attracted highly qualified professionals to fill the project positions.

Over the years, the Title I projects were absorbed into the regular programming, thus raising the quality of our total educational program. Without these supplemental funds, Illinois' mental health system could not have achieved its present level.

Children, who once were thought to be so severely handicapped, that only a state institution could provide for their needs, are now to be found in public schools--special education classrooms, as well as mainstreamed into regular classes.

The state institutions developed programs for these children, enabling them to move to a less restricted environment.

The state institutions are still providing educational services to severe and profoundly handicapped children. Because of our previous success with children that were once considered uneducable, our efforts are now directed into an area of exploration, and must be more intense, and more creative.

The intensity of these services is costly. P.L. 89-313 has helped immeasurably in hiring additional direct service staff, so that total programming can aim for a goal of one to one relationships.

Unique programs have been developed to teach a tube-fed child to eat, to swallow. These efforts are successful -- we have fewer tube-fed children. We have unique programs of "stimulation" designed for those children who have never responded to anything. Physical Therapy programs are designed to produce ambulation in a non-ambulatory child. Autistic children with communication problems, are now communicating through sign language.

The Honorable Carl D. Perkins, Chairman
 Subcommittee on Elementary, Secondary and Vocational Education
 September 30, 1977

Severely disturbed, as well as developmentally disabled children are helped by "Transitional Programming", which is a support system designed for the deinstitutionalization process. It provides support to the child being discharged, the family, and the receiving school. A research component was added to find out if this was an effective use of the money. A copy of the report is enclosed.

Most of these efforts are successful. We have found that we can indeed produce change, raise developmental levels in these children and perhaps someday, they too may take their place in the community.

With the passage of P.L. 93-380, which included a section on "money following the child", a contradiction emerged. Our previous efforts enabled large numbers of children to be discharged, but as money followed the child, deductions were made from our allocation, which forced us to cut back on all Transitional projects, concomitantly reducing the number of discharges. Deinstitutionalization was hampered, rather than enhanced.

Since 1970, the Illinois Department of Mental Health and Developmental Disabilities has encouraged and supported community services, both day treatment care and residential. The under 21 population in our hospitals has dropped from 4,264 in 1970 to 2,853 in 1976.

Despite our best efforts in developing a continuum of services a portion of the handicapped population in Illinois will need hospitalization for varying periods of time. These are the most severely and profoundly handicapped, for whom appropriate services are not in place in the community. It is this population which will continue to need the intense services which the department provides and Title I P.L. 89-313 supplements.

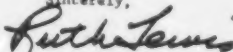
The amendment of last year which changed "the state agency shall be held harmless", to the "state shall be held harmless" produced another cut in the department's appropriation. Although this amendment equalizes the per capita amount of money, service needs based on handicapping conditions vary -- the more severe the handicap -- the more intense the service, and levels of funding should at least remain constant, not cut. P.L. 89-313 continues to be the only federal funding source to State Agency education programs.

The Illinois Department of Mental Health and Developmental Disabilities continues to have the responsibility of treating, caring for, and educating portions of the handicapped population.

The Honorable Carl D. Perkins, Chairman
Subcommittee on Elementary, Secondary and Vocational Education
September 30, 1977

Therefore, this department strongly recommends continued funding
under this act, and not to be combined with P.L. 94-142.

Sincerely,



Ruth Lewis
Education Advisor

RL/mk
Enclosure

cc: The Honorable Paul Simon
Subcommittee on Elementary, Secondary and Vocational Education

The Honorable John N. Erlenborn
Subcommittee on Elementary, Secondary and Vocational Education



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Mental Health, Retardation and Hospitals
 OFFICE OF THE DIRECTOR
 600 New London Avenue
 Cranston, R.I. 02920

October 3, 1977

The Honorable Carl D. Perkins
 Chairman
 Subcommittee on Elementary,
 Secondary and Vocational Education
 House Education and Labor Committee
 Room B-346A, Rayburn House Office Building
 Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed is a statement I would like to be included in the record of the hearing of October 4, 1977 concerning extending and amending the existing authority to provide education on behalf of children in state operated and supported programs. As I indicated in that statement, we have found the P.L. 89-313 program offers a substantial benefit to the handicapped children served by the Rhode Island Department of Mental Health, Retardation and Hospitals.

Thank you in advance for your consideration of this matter. I will be happy to provide any additional information your Committee may desire concerning this program and its success in the Rhode Island Department of Mental Health, Retardation and Hospitals.

Sincerely,

Joseph J. Revillacqua
 Joseph J. Revillacqua, Ph.D.
 Director

Enclosure

The Rhode Island Department of Mental Health, Retardation and Hospitals would like to express its appreciation for the opportunity to comment on extending or amending the existing authority to provide education aid on behalf of children in state operated and supported schools for handicapped children (the 89-313 program). We feel this program has significantly benefited those children served in our institutions.

The Rhode Island Department of Mental Health, Retardation and Hospitals conducts programs for handicapped children whose disabilities require a full range of specialized services - including institutional care and treatment, hospitalization and residential and day treatment. These programs include special education services for all children from 0-21 years of age who are served by our state operated and state supported programs.

Over the past several years these special education services have been supplemented with Title I (P.L.89-313) funds. The impact of the funding has been dramatic in all cases. The Pediatrics Unit of the Zimbarano Hospital is an excellent example of how Title I funding has been used to seed and expand a special education program. The children served in this Unit are severely physically handicapped as well as severely or profoundly mentally retarded. In 1966 Title I funds were used to purchase some educational supplies for the (approximately) 100 children served in the program. In 1967 the funds were used to purchase the services of a curriculum consultant and to provide 4 to 7 children with about 8 hours a week of additional special education services. Between 1970 and 1974 a few full-time personnel were employed to concentrate on the development of self-help skills. This led to the transfer of 8 children into foster home placements. In 1975 the majority of the Title I staff were transferred to state-funded positions and in 1976, 8 new special education teachers were added to the state program. The evolution of the Zimbarano program from an emphasis on medical and custodial care to special education and

development is directly related to the use of Title I funds to demonstrate the value of the developmental and educational approaches to services for the handicapped. Other Title I projects have also been used to demonstrate and meet identified needs.

Children placed by our agency, Mental Health Services for Children and Youth, who are returning to a Local Education Agency are provided services to facilitate their appropriate placement. Projects funded by Title I at this agency have traditionally been designed to meet the special educational needs of children entering or leaving residential placement.

Children residing at Ladd School, the state facility for retarded citizens have benefited from programs providing additional speech and audiological services, recreation therapy, and additional physical therapy. In addition services to children provided by supplementary personnel funded by Title I have increased the skill levels of children to the degree that they are now capable of attending a full day of school in a local education agency. 12 children, whose behavior was so self-abusive as to preclude their education, were provided an intensive behavior shaping program funded with Title I. That program enabled those children to receive five hours of education per day in the institution.

A full educational program seeded with Title I funds has been assumed by state dollars at the Adolescent Unit of the Institute of Mental Health. Children now referred for diagnosis and evaluation can resume or continue their education while residing at the Institute.

The state of Rhode Island has gradually been assuming the fiscal responsibility for many services originally funded by Title I. There is, however, an ever expanding potential for Title I services. For example, as our children leave the institutions there is a need to provide follow through services to insure that the children are successfully integrated into

the community. For the deinstitutionalization process to be most beneficial, support services must be available to the children. For those children whose disability precludes other than an institutionalized setting, Title I funds can continue to provide supplemental services.

We have been made aware that there are several options being considered concerning the 89-313 program. It is unreasonable to expect that a program remain in place unless that program benefits the population it was designed to serve. We believe the program has substantially benefited our children and should continue in some form at its current funding level.

There is also an argument that can, and probably will, be made that the 89-313 programs be subsumed by programs under 94-142. It would seem appropriate that programs benefiting handicapped children be consolidated within one agency and funding source. There are, however, disadvantages to this assumption that should be considered before a decision is made.

One disadvantage to this assumption would be the potential loss of funds and programs for children served by our agency. These children are among the most severely handicapped children in Rhode Island. The services they require are highly individualized and intensive. To decrease the level of programming for these children would deny the proven benefit of such intensive care and potentially jeopardize the entry of the child into a community setting.

Another disadvantage that should be considered relative to the children served by Mental Health, Retardation and Hospitals is the prioritization of children. P.L. 94-142 prioritizes those children to be served. First priority children are those children who are currently unserved. We have an identified population with identified needs who have benefited from programs funded by 89-313. Funding for these children should continue at the current level, even if the program was to be subsumed by programs under P.L. 94-142. Depriving these children of supplemental educational services because they have been identified and are receiving programs commensurate with their needs

would not appear to be consistent with the intent of the Congress.

The Rhode Island Department of Mental Health, Retardation and Hospitals requests that when the subcommittee makes its recommendations concerning this program, it consider the needs of those children who continue to require a full range of services in an institutional setting. It would be unfortunate if those children most in need of intensive services were to be denied those services on the basis of the location of the necessary services.

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY

DEPARTMENT OF HEALTH

114-744-11 STREET

SACRAMENTO, CALIFORNIA 95814

(916) 445-1248

EDWARD G. BRENNAN, JR., Governor



September 30, 1977

Honorable Carl Perkins
 Chairman, Subcommittee on Elementary,
 Secondary and Vocational Education
 United States House of Representatives
 Rayburn House Office Building
 Room 2365
 Washington, D.C. 20515

Dear Mr. Perkins:

I am writing to express the opinion of the California Department of Health on the proposed extension of Title I of the Elementary and Secondary Education Act (89-513) that is now before your committee for consideration. The act authorizes federal financial assistance to states which operate institutions for the education of school-age children in those residential settings.

This letter represents the official opinion and considered judgment of the California Department of Health, which is responsible for all state-operated residential programs and a full array of community services for persons who have developmental special needs (developmental disabilities) and their families. We would hope that you would place our comments into the proceedings of your committee on this issue.

The law in California and the full efforts of the Department of Health is to foster integrated and normalized programs and services for all persons who have developmental special needs. We are opposed in principle and in law to any program or financial support that would cause the segregation and isolation of any of our citizens. We were pleased to note the passage of the Education For All Handicapped Children Act of 1975 (94-142) which will soon assure that all children will receive an appropriate program of education and training regardless of the degree or severity of their handicap, and that this educational opportunity will take place in the most normative setting possible. Consistent with the principles in this act, the Congress has also passed the Developmentally Assisted and Bill of Rights Act (PL 94-103), which outlines strategies for strengthening integrative services and safeguarding individual rights. The recent 504 Regulation of the Vocational Rehabilitation Act of 1973, also requires all programs receiving federal funds to provide the most integrative opportunities possible for persons with handicaps. In addition, the President's Committee On Mental Retardation has made

deinstitutionalization a major goal for the 1970's and 1980's. Consistent with this progressive thrust, by the Congress and the Federal Government, to provide the most integrated programs and services possible, we recommend your consideration of the following:

1. Title I, ESEA should be continued but not in its present form. The present form will only continue the isolated, segregated and often less than adequate publicly supported education program for school-age children residing in our nation's institutions. It would also be totally inconsistent with the above mentioned federal laws that have been adopted since ESEA was first passed by the Congress a decade ago. While it certainly was a recognition of the poor quality of educational opportunities available to school-age children in state institutions at that time, the circumstances and conditions of today have changed so dramatically that the unchanged continuation of that program would not be in the public interest nor in the interest of those children who need the best educational opportunities possible in order to become contributing and competent citizens.
2. State education agencies should be made responsible for the education of all children within that state regardless of where that child resides. Since educational agencies have both the experience and the full resources for the education of all school-age children in the community, it would seem reasonable that they would expand that responsibility to include children residing in state institutions. In addition, most state education agencies also have responsibility for the development of teacher-education programs in the state colleges and universities, and would be able to marshal these resources to make training more appropriate to the needs of this new special school population. We recommend that this administrative responsibility be transferred from the agencies operating the institutions to the state education agencies on a phased-in basis.

The experience in Pennsylvania in implementing the first major Right To Education consent agreement shows that state education agencies can assume this responsibility and do it at least as, if not more, effectively than the local welfare, mental health, or health agency.

Mr. Carl Perkins

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September 30, 1977

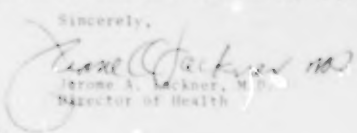
3. Consistent with Public Law 94-142 and the Vocational Rehabilitation 504 amendments, we recommend that the education for those children in state residential facilities takes place off the institutional grounds whenever and wherever possible. Federal regulations should be drafted which would include full safeguards to ensure that this educational program does take place off institutional grounds unless there are such serious presenting circumstances that would preclude that possibility, and then only on an individual basis. The Pennsylvania and Michigan models have shown that this is not only possible, but viable and works.
4. We recommend that all funds that are currently included in the entitlement of Title I, ESEA be transferred to the state education agency when joint cooperative planning between the two affected state agencies have taken place.

The principle concern of many of the states is that if there is not a continuation of this funding, there will be a diminished education effort even below that currently taking place in the state institutions. We would not recommend that these funds be abolished; in fact, in order to encourage state education agencies to assume this responsibility, it would be most useful if a modest increase in each state's allocation would be made.

We hope these ideas and recommendations will be useful to you in your consideration of this major issue. We are prepared to expand on our comments at your request. It is our belief that these recommendations would enhance the educational opportunity for all handicapped children in the United States and would be consistent with the previous progressive legislation passed by the Congress.

We appreciate the opportunity to make this statement and will provide any further information or assistance that you may require.

Sincerely,



Jerome A. Mackner, M.D.
Director of Health

cc: Honorable Albert Quie



STATE OF OHIO
DEPARTMENT OF EDUCATION
COLUMBUS
43215

FRANKLIN B. WALTER
SUPERINTENDENT OF
PUBLIC INSTRUCTION

October 11, 1977

The Honorable Carl D. Perkins
U.S. House of Representatives
2365 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Perkins:

Thank you for the opportunity to submit testimony for the October 4 hearing held by the House Education Subcommittee on Elementary, Secondary and Vocational Education on Title I services for handicapped children.

Currently, P.L. 89-313 funds in Ohio are providing needed services to more than 8,000 students. The various programs are effectively supplementing the state program by targeting services on the most severely handicapped students.

The "follow-the-child" language is the major problem in the current program. The original purpose of this part of the law was to provide services to those children who left state institutions to enroll in appropriately designed programs in local public schools. Now that Public Law 94-142 is being implemented throughout the nation with all handicapped children in local schools being counted and with services available to all, the follow-the-child language for P.L. 89-313 is no longer necessary.

It is, therefore, recommended that this language be completely deleted. The applicable language is found in Sections 116b.39, 116b.41, 116b.42, 116b.43, and 116b.44 of the proposed regulations.

The follow-the-child language creates major administrative problems. In many instances, a local school may have only one child enroll who is eligible. The excessive paperwork, the reporting requirements, and the staff time involved make this procedure a very costly one. This is particularly true when one takes into account that such a child is now eligible for services under P.L. 94-142 and existing state funded programs.

It is recommended that P.L. 89-313 should remain as a fully funded program and should not be ratably reduced to be funded on an equal basis with the basic Title I program.

More than 85% of the funds are utilized for the employment of staff to provide special services to handicapped children. The investment of the federal dollar in employing dedicated staff to work with these children is one of the best expenditures that Congress can make. The program must remain fully funded in order to maintain the services currently being provided.

Thank you for your consideration of these recommendations.

Sincerely,

Franklin B. Walter
Superintendent of Public Instruction

FBW/sl

STATEMENT OF
THE COUNCIL FOR EXCEPTIONAL CHILDREN
to
THE SUBCOMMITTEE ON ELEMENTARY,
SECONDARY, AND VOCATIONAL EDUCATION
of
THE U.S. HOUSE EDUCATION AND LABOR COMMITTEE
with respect to
H.R. 15
REAUTHORIZATION OF ESEA
November 14, 1977

Presented by:

Frederick J. Weintraub, Assistant Executive Director for Governmental Relations, The Council for Exceptional Children

Joseph Ballard, Assistant Director for Policy Implementation, Governmental Relations Unit, The Council for Exceptional Children.

Mr. Chairman, Members of the Subcommittee:

We thank you for the opportunity to submit for the written hearing record the views and legislative recommendations of The Council for Exceptional Children during these important deliberations regarding the extension of the Elementary and Secondary Education Act.

As you know Mr. Chairman, The Council for Exceptional Children is a national organization with a membership of approximately 70,000 professionals in the field of special education. One of the most fundamental ongoing missions of the Council which has brought us to Capitol Hill on so many occasions through the years is to seek continual improvement of federal provisions for the education of America's exceptional children and youth, both handicapped and gifted.

We would like to discuss very briefly a number of issues which cut across the terrain of the federal Elementary and Secondary Education Act, issues which we would hope that the Committee would consider during the course of reauthorization deliberations.

Setaside for handicapped, Title I of ESEA

In 1966 the Congress created (P.L. 89-313) special entitlements within the larger Title I in order to provide supplemental educational support to this nation's most vulnerable children, handicapped children in state institutions, neglected and delinquent children, and migrant children. With respect to the setaside for the handicapped, the number of participating children has grown from some 65,400 at the inception of the program in 1966 to approximate-

ly 208,000 participants in school year 1977-78. Moreover, the characteristics of the target population have expanded considerably, so that a program that assisted handicapped children initially by and large in residential settings has become a program today providing supplemental educational support to a population the majority of which are receiving instruction in day center settings.

It is worth recalling that P.L. 89-313 has not remained untouched from a legislative standpoint. For instance, during deliberations prior to the passage of P.L. 93-380, the Education Amendments of 1974, considerable concern was being expressed with respect to the extent to which the P.L. 89-313 program was inadvertently encouraging institutionalization. Hence, a provision appears in P.L. 93-380 permitting a "follow-along" of P.L. 89-313 monies to the local school district when a child moves from a residential to an LEA-based instructional setting. It would be our contention that sufficient time has not transpired in order to evaluate the real and potential effectiveness of that provision.

It is quite clear that two recent studies, one undertaken by the staff of your own Education and Labor Committee and another undertaken by the General Accounting Office, have generated increasing discussion with respect to this setaside for handicapped children. With numerous legislative options now under consideration within both the Legislative and Executive branches, the Council becomes increasingly concerned that the educational well-being of P.L. 89-313-participating children not be inadvertently placed in jeopardy as a final outcome of whatever statutory rearrangement may be agreed upon. Therefore, the Council intends to rigidly apply the following minimum

criteria toward measuring the acceptability of any and all amendments which may be offered:

- 1) That the actual educational program support currently being enjoyed by handicapped children under the auspices of P.L. 89-313 be neither lost nor diminished.
- 2) That the relatively strong guarantee of actual appropriations under P.L. 89-313 be maintained.
- 3) That the rights and protections sought for all handicapped children requiring special education as they apply to P.L. 89-313-eligible handicapped children (i.e., individualized written program, education in the least restrictive instructional environment) be strengthened, and in no way diminished.
- 4) That the P.L. 94-142 provision of state education agency general supervision of educational programs for all handicapped children in the state, irrespective of the delivering public agency, be strengthened and in no way diminished.

Gifted and talented children

We encourage the consideration of removal of the programs for the gifted and talented from the special projects act and the integration of such programs into the Education of the Handicapped Act. In this regard we would propose the following amendments:

- That the current federal definition of handicapped children (Education of the Handicapped Act, Part A, Section 602) for educational purposes be changed to a definition of "exceptional children," and that gifted and talented children be included in that revised definition.

- That the current Bureau of Education for the Handicapped within the Office of Education be redesignated as the "Bureau of Education for Exceptional Persons," with a clear understanding that gifted and talented children are a priority target population of that redesigned bureau.
- That, wherever appropriate, the Commissioner - Discretionary Programs (EHA, Part C - Centers and Services to Meet the Special Needs of the Handicapped, Part D - Training Personnel for the Education of the Handicapped, Part E - Research in the Education of the Handicapped, Part F - Instructional Media for the Handicapped) be expanded to include gifted and talented children as an eligible target population along with handicapped children.
- That a new Part G be created, providing for a modest program of grants to state and local education agencies for the development, operation, and improvement of programs and projects to meet the special educational needs of gifted and talented children (identical to one component of what has been previously authorized in ESEA Title IV, Section 404).
- That the current ESEA Title IV, Section 404, be allowed to expire as well as the current Office of Gifted and Talented within BEH, since they would no longer be necessary because of the proposed enlarged scope of the BEH program. To maintain an internal advocacy force and to insure that the interests of the gifted and talented are properly represented, however, a new position needs to be established directly under and responsible to the head of the bureau.

- Where needed, authorization levels for EHA Parts C through F be revised to conform to this enlarged mission on behalf of all exceptional children.

The affirmation of the exceptional child concept at the national level and consequent programmatic objectives constitute a major priority for CEC and we intend to pursue its attainment aggressively. In the forthcoming weeks we would like to share with committee members a larger rational paper with respect to this issue.

Title I of ESEA

We are concerned that some states have prohibited the use of the LEA portion of Title I funds for education of the handicapped. This we feel is an over-interpretation of the Memorandum of Agreement between the Bureau of Education for the Handicapped and the Bureau of School Systems concerning use of Title I monies for special education. Certainly such a blanket prohibition would be construed as a violation of Section 504 of the Vocational Rehabilitation Act of 1973. We would, therefore, like to see some effort at administrative clarity or, if that cannot be achieved satisfactorily, legislative clarity.

Correspondingly, The Council for Exceptional Children has supported in concept past efforts toward defining Title I and other programs in terms of children's learning needs in contrast to their economic, handicapping or other status. While we support the concept, we have had in the past and we are sure will probably have again, some disagreement with the way such efforts might be carried out. We would suggest that the matter merits very

serious consideration by the Congress because of its potential to greatly improve the education of children with special needs while at the same time reducing the categorization of children and the number of children who "fall between the cracks."

Bilingual education

We are concerned that in many instances handicapped children are not afforded bilingual education opportunities provided under Title VII of the ESEA. This as we described under Title I has significant implications with respect to Section 504 of the Vocational Rehabilitation Act of 1973.

American Indian education

The Office of Indian Education program (USOE) should be a primary vehicle for meeting the unique problems of Indian students. It should not become just another pot of money in the ever confusing federal education effort on behalf of Indian children.

We would suggest that Section 810(e) of the Indian Education Act of 1972 be amended to allow participation by organizations other than those which are solely Indian controlled. We support the idea that first preference should be given to Indian organizations but there are instances where the expertise does not lie in Indian organizations, and thus efforts are stifled because of the inability of OIE to contract. IEC for example, has Indian members, staff, chapters, etc. but because it is not totally Indian controlled it is unable to participate even when requested by Indians to do so in Section 810(a) activities.

We recommend the establishment of specific programs to prepare Native American special educators to provide for public education concerning the educational rights and needs of Indian handicapped children and to provide technical assistance to the OIE constituencies regarding service delivery to Indian handicapped children. We will provide you shortly with specific legislative recommendations in this regard.

Adult education

We are concerned about the lack of specific attention given to the handicapped in adult education. Attention is currently being focused upon whether incentives should be used to encourage states to serve high priority educational needs. We would certainly concur that there should be such incentives and would suggest that the handicapped be one of the high priority needs. We would strongly support giving a discretionary authority to the Commissioner if such authority were limited to projects of national significance and technical assistance projects. We would also urge that if advisory councils are strengthened and given a greater role in the program that there be a requirement that a handicapped individual and/or an individual expert in the education of the handicapped serve on any such committees.

Thank you for the opportunity to comment on ESEA reauthorization issues. We stand ready to provide whatever assistance or information may be useful to you and to the other members of the committee during the course of your forthcoming deliberations.